

STATE OF INDIANA
LAKE COUNTY
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MICHAEL B. BROWN
RECORDER

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**LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND
LEASES AND SECURITY AGREEMENT (FINANCING
STATEMENT)**

This Leasehold Mortgage, Assignment of Rents, and Leases and Security Agreement (Financing Statement) ("Instrument") is made as of December 18, 2017 (the "Instrument Date") by **CROSSROADS YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**, an Indiana nonprofit corporation ("Mortgagor"), whose address is 1450 South Court Street, Crown Point, Indiana 46307, to and for the benefit of **CENTIER BANK**, an Indiana state bank (together with its successors and assigns, "Centier"), with offices at 600 East 84th Avenue, Merrillville, Indiana 46410.



Mortgagor states as follows:

A. Mortgagor holds a leasehold interest in and to the real estate containing approximately 18.00 acres, situated on the property commonly known as 1450 South Court Street, Crown Point, Lake County, Indiana, as described on Exhibit A, which is attached hereto and made a part hereof, together with all buildings, improvements, and tenements now or hereafter erected on the property, and all easements, rights, right-of-ways, driveways, pavement, curb, and street front privileges, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, pursuant to that certain Amended and Restated Lease dated as of January 18, 2017, executed by Franciscan Alliance, Inc., as landlord, and Mortgagor, as tenant, as modified by the Agreement for Modification of Lease dated as of June 14, 2017, and by the Second Agreement for Modification of Lease dated as of October 31, 2017, subject to the Consent to Encumbrance of Leasehold Interest, dated as of September 25, 2017, executed by Franciscan Alliance, Inc. and Mortgagor (collectively, the "Ground Lease").

B. As of the date hereof, Centier is making two separate loans to Mortgagor in the maximum total principal amount of \$12,000,000.00 (collectively, the "Loan").

C. Centier has required and Mortgagor has agreed to grant a mortgage and security interest in all of its right, title and interest in and to the Premises, including but not limited to all rights arising under the Ground Lease, to secure full payment and performance of all payments to be made and all matters to be performed under and with respect to this Instrument and the other Loan Documents, as defined in the Loan Agreement (as defined herein).

NOW THEREFORE, in consideration of the agreement of Centier to make the Loan, Mortgagor covenants and agrees as follows:

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HOLD FOR GREATER INDIANA-TITLE COMPANY

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023204
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PART 1 - DEFINITIONS

In addition to those terms defined in other provisions of this Instrument, the following terms will have the following meanings:

1.1 "**Easements**" will mean all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Land, and the reversions, remainders, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity;

1.2 "**Fixtures**" will mean (a) all fixtures and articles of personal property forming a part of or used in connection with the Land or the Improvements, excluding such properties which are, pursuant to written leases, the sole property of tenants on the Premises and which such tenants are permitted or obligated to remove from the Premises upon termination of their respective leases, and (b) all other interests of Mortgagor with respect to any fixtures and/or articles of personal property forming a part of or used in connection with the Land or the Improvements;

1.3 "**Ground Lease**" will mean, collectively, that certain Amended and Restated Lease dated as of January 18, 2017, executed by Franciscan Alliance, Inc., as landlord, and Mortgagor, as tenant, as modified by the Agreement for Modification of Lease dated as of June 14, 2017, and by the Second Agreement for Modification of Lease dated as of October 31, 2017, subject to the Consent to Encumbrance of Leasehold Interest, dated as of September 25, 2017, executed by Franciscan Alliance, Inc. and Mortgagor

1.4 "**Improvements**" will mean all improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures and personal property of every nature whatsoever now or hereafter located on, or used or intended to be used in connection with, the Land or the improvements, or in connection with any construction thereon, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing and all of the right, title and interest in and to any such personal property or fixtures, together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures; for purposes hereof, "Improvements" will exclude the interests of tenants on the Premises in and to improvements which are, pursuant to written leases, the sole property of tenants on the Premises and which such tenants are permitted or obligated to remove from the Premises upon termination of their respective leases;

1.5 "**Land**" will mean that real estate situated in Crown Point, Lake County, Indiana, as described in paragraph A of the preamble hereto.

1.6 "**Leases**" will mean all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or part of the Premises (other than the Ground Lease), together with all guarantees of the lessees' obligations thereunder, whether oral or written, for a definite term or month-to-month.

1.7 **Loan Agreement** will mean the Construction and Real Estate Loan Agreement dated as of December 18, 2017, executed by Mortgagor and Centier.

1.8 **Loan Documents** will mean the Loan Documents as defined in the Loan Agreement.

1.9 **Note** will mean collectively: (A) that certain Construction Loan Note of even date herewith, in the principal amount of \$7,000,000.00, drawn by Mortgagor to the order of Centier, along with any and all allonges, modifications, amendments, supplements, replacements, and restatements thereto or thereof, whether or not contemplated hereby, with final payment due on or before the twenty-second (22nd) anniversary of the Instrument Date; and (B) that certain Line of Credit Note of even date herewith, in the principal amount of \$5,000,000.00, drawn by Mortgagor to the order of Centier, along with any and all allonges, modifications, amendments, supplements, replacements, and restatements thereto or thereof, whether or not contemplated hereby, with final payment due on or before the fifth (5th) anniversary of the Instrument Date.

1.10 **Premises** will mean, collectively, the Land, the Improvements, the Fixtures and the Easements.

1.11 **Permitted Exceptions** will mean those exceptions set forth on Exhibit B, which is attached hereto and made a part hereof.

1.12 **Rents and Profits** will mean collectively all security deposits, rents, issues, profits and revenues of the Premises from time to time accruing and the Ground Lease and/or any and all existing and future Leases.

1.13 **Secured Obligations**: all indebtedness and all obligations evidenced by the Loan Agreement, the Note and/or any of the other Loan Documents, and/or all future modifications, extensions, renewals and replacements thereof; together with, not in limitation of the foregoing, all loans, advances, debts, liabilities, obligations, covenants and duties owing by Mortgagor to Centier of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to Mortgagor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument, (ii) arising under any agreement, instrument or document, (iii) for the payment of money, (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, (v) under any interest rate swap, collar, cap, floor, swap option, or other interest rate protection or similar agreement, or (vi) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of Centier to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of Centier's non-receipt of or inability to collect funds or otherwise not being made whole in

connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of Centier incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys' fees and expenses; together with, not in limitation of the foregoing, all future obligations of Mortgagor to Centier and all future advances by Centier to Mortgagor, provided that the total amount secured hereby, including but not limited to such future obligations and/or advances, along with the amount of the Loan and all other amounts payable pursuant to the Note as presently in effect, will not exceed \$24,000,000.00, whether made as an obligation, made at the option of Centier, made after a reduction to a zero (0) or other balance, or made otherwise.

PART 2 - GRANT

2.1 **Grant to Centier.** In consideration of the agreement of Centier to make the Loan and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, to secure the indefeasible payment and performance of all Secured Obligations, Mortgagor **HEREBY MORTGAGES, WARRANTS, GRANTS, HYPOTHECATES, REMISES, RELEASES, ALIENATES AND CONVEYS WITH MORTGAGE COVENANTS** to Centier and its successors and assigns forever, the following described property, rights and interests, all of which property, rights and interests are hereby pledged primarily and on a parity with Mortgagor's interest in the Premises and not secondarily, all of the following (collectively, the "Collateral"):

- (a) The Premises and all of Mortgagor's right, title and interest in and to the Premises;
- (b) All rights and interests of Mortgagor arising under or with respect to the Ground Lease;
- (c) Any and all of Mortgagor's other right, title and interest in and to the Premises and/or the Ground Lease, and all personal property of Mortgagor, excluding equipment (as defined in the Uniform Commercial Code of the State of Indiana, as in effect from time to time) that is leased by Mortgagor in the conduct of its business, to the extent that the leasehold interest therein is not assignable by Mortgagor under the applicable lease agreement;
- (d) All rights of Mortgagor in any goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of Mortgagor relating to the Premises and/or all accounts, contract rights, instruments, chattel paper and other rights of Mortgagor for payment of money, for property sold or lent, for services rendered, for money lent, or for advances or deposits made, and any other intangible property of Mortgagor related to the Premises or any part thereof, and all accounts and monies held by and/or in the possession of Centier for the benefit of Mortgagor or otherwise held pursuant to any of the Loan Documents (all of the foregoing is herein referred to collectively as the "Intangibles");

(e) All rights of Mortgagor to any and all Rents and Profits; this assignment will extend to and cover any and all extensions and renewals and future Leases and to any and all present and future rights against guarantor(s) of any such obligations and to any and all Rents and Profits collected under the Leases or derived from the Premises. As a part of this assignment, and not in limitation thereof, Mortgagor hereby agrees, upon the request or requests of Centier, to execute and deliver to Centier separate specific assignments of rents and leases covering some or all of the Leases, the terms of such assignments being incorporated herein by reference. This assignment is absolute and effective immediately and without possession; however, Mortgagor will have a revocable license to receive, collect and enjoy the Rents and Profits accruing from the Premises until an Event of Default has occurred. Upon the occurrence of any Event of Default, the license will be revoked automatically, without need of notice, possession, foreclosure or any other act or procedure, and all Rents and Profits assigned hereby will thereafter be payable to Centier;

(f) All rights of Mortgagor as lessor under all Leases;

(g) All rights and interests of Mortgagor in and to any and all service and other agreements relating to the operation, maintenance, and repair of the Premises or the buildings and improvements thereon ("**Service Agreements**");

(h) All rights and interests of Mortgagor in and to any plans, specifications, architectural renderings, drawings, foundation licenses, building licenses, and all other licenses and permits issued by governmental entities with respect to construction and rehabilitation of Improvements, soil test reports, other reports of examinations or analyses, contracts for services to be rendered to Mortgagor, or otherwise in connection with the Premises and all other property, contracts, reports, proposals, and other materials now or hereafter existing in any way relating to the Premises or the Collateral or construction of additional improvements thereto (the "**Plans**");

(i) All rights and interests of Mortgagor in and to unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Mortgagor and all proceeds of the conversion, voluntary or involuntary, of the Collateral or any part hereof into cash or liquidated claims, including, without limitation, all proceeds of casualty, liability, hazard and/or title insurance and all awards and compensation hereafter made to the present and all subsequent owners of the Collateral by any governmental or other lawful authorities for the taking by eminent domain, condemnation or otherwise, of all or any part of the Collateral or any easement therein, including awards for any change of grade of streets;

(j) All rights and interests of Mortgagor in and to judgments, awards of damages and settlements which may result from any damage to the Premises or any part thereof or to any rights appurtenant thereto; all rights of Mortgagor to compensation, awards, damages, claims, rights of action and proceeds of, or on

account of (i) any damage or taking, pursuant to the power of eminent domain, of the Premises or any part thereof, (ii) any damage to the Premises by reason of the taking, pursuant to the power of eminent domain, of other property or of a portion of the Premises, or (iii) the alternation of the grade of any street or highway on or about the Premises or any part thereof; all rights of Mortgagor in and to any proceeds of any sales or other dispositions of the Premises or any part thereof (collectively "**Awards**");

(k) All rights and interests of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Premises, hereafter acquired by, or released to, Mortgagor or otherwise constructed, assembled or placed on the Premises, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Mortgagor, will become subject to the lien of this Instrument; and

(l) All rights of Mortgagor in and to any proceeds of any of the foregoing, including, without limitation, all judgments, awards, damages and settlements hereafter made resulting from condemnation or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof, together with the right, title and interest of Mortgagor whatsoever to receive the foregoing.

2.2 **Extent of Centier's Interests.** Centier and its successors and assigns will have and hold all of Mortgagor's interest in and to the Premises and the other Collateral, subject only to the Permitted Exceptions, for the purposes and upon the uses herein set forth together with all right to possession of the Premises after the occurrence of and during the continuance of any Event of Default (as hereinafter defined) all whether now owned or hereafter acquired or arising, securing the indefeasible payment and performance of the Secured Obligations. Mortgagor hereby **RELEASES AND WAIVES** all rights under and by virtue of the homestead exemption laws of the State of Indiana.

Mortgagor, by this instrument, has granted a mortgage upon and a security interest in Mortgagor's fee title interest in and to the Premises, and this instrument will be deemed to create a mortgage, security interest in and lien upon such fee title. As to any part of the Collateral which does not form a part and parcel of Mortgagor's fee title interest in the Premises, this Instrument is hereby deemed to be, as well, a security agreement under the Uniform Commercial Code as enacted in Indiana for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Centier as Secured Party (as said term is defined in the Uniform Commercial Code), securing the indefeasible payment and performance of all Secured Obligations.

2.3 **Release upon Full Payment and Performance.** At such time as the Secured Obligations are indefeasibly paid in full and all items to have been performed under or with respect to this Instrument, the Note, and all of the other Loan Documents have been fully performed, and provided no Event of Default has occurred and is then continuing hereunder or thereunder, then the lien of this Instrument and the interest of Centier in the Premises will be released at the cost of Mortgagor but will otherwise remain in full force.

PART 3 - ADDITIONAL COVENANTS AND AGREEMENTS OF MORTGAGOR

3.1 **Payment of Secured Obligations and Performance of Covenants.** Mortgagor will pay all liabilities under the Note and all of the other Loan Documents and punctually perform and observe all of the requirements thereunder.

3.2 **Maintenance, Repair, Compliance with Ground Lease and Law, Use, etc.** Mortgagor will (a) fully comply with and perform all obligations of Mortgagor arising under or with respect to the Ground Lease, and all other matters to be performed under or with respect to the Ground Lease; (b) promptly repair or restore any portion of the Improvements which may become damaged, whether or not proceeds of insurance are available or sufficient for that purpose; (c) maintain the Premises and keep the Premises in good condition and repair, free from waste; (d) pay all operating costs of the Premises; (e) comply with all requirements of law relating to the Premises or any part thereof by any governmental authority; (f) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements; (g) comply with any restrictions of record with respect to the Premises and the use thereof; and observe and comply with any conditions necessary to preserve and extend any and all rights, licenses, permits (including, without limitation, zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Premises and are necessary for its use and occupancy; and (h) cause the Premises to be operated and/or managed in a competent and professional manner.

3.3 **Prohibitions.** Without the prior written consent of Centier, Mortgagor will not cause, suffer or permit any: (a) breach of any of the terms or provisions of the Ground Lease; (b) amendment, modification, waiver or termination of the Ground Lease or any provisions thereof, or of any rights thereunder or with respect thereto; (c) use of the Premises other than for the retail and/or commercial operations and other uses incidental thereto; (d) change in the identity of the firm responsible for managing the Premises; (e) change in the zoning reclassification with respect to the Premises; or (f) unlawful use of, waste with respect to, or nuisance to exist upon, the Premises.

3.4 Liens.

(a) **Prohibition.** Mortgagor will not create or suffer or permit any encumbrance or lien to attach to or be filed against the Premises or any other Collateral or any part thereof, other than the Permitted Exceptions.

(b) **Contest of Mechanic's Liens Claims.** Notwithstanding the foregoing prohibition against encumbrances, Mortgagor may in good faith and with reasonable diligence contest the validity or amount of any mechanic's lien and defer payment and discharge thereof

during the pendency of such contest, provided that Mortgagor may contest in good faith and with reasonable diligence the validity of any such claim of lien upon furnishing to Centier such security or indemnity as Centier may in its discretion require, including but not limited to deposits and/or other assurances necessary to induce a title insurance company to issue title insurance insuring against all such claims or liens.

3.5 **Taxes and Assessments; Deposits.** Mortgagor will pay or cause to be paid, when due, all real property taxes, all assessments, all applicable personal property taxes, and all insurance premiums with respect to the Premises before penalty accrues thereon. Such payments will be facilitated through deposits as provided in the Note.

3.6 **Construction.** Mortgagor will construct and rehabilitate the Improvements only pursuant to plans and specification, construction budgets and construction schedules approved in writing in advance by Centier, subject to all terms and provisions of the Note and the other Loan Documents.

3.7 **Insurance Coverage.** Mortgagor will, at all times during which the Loan or any portion thereof is outstanding, maintain insurance as provided in Section 6.2 of the Loan Agreement. If the Premises are sold at a foreclosure sale or Centier acquires title to the Premises, Centier will automatically succeed to all rights of Mortgagor in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Premises prior to such sale or acquisition.

3.8 **Condemnation and Eminent Domain.**

(a) **Acknowledgment of Security Interest in Awards.** Pursuant to the terms of this Instrument, Mortgagor has granted to Centier a security interest in all of Mortgagor's rights to any and all Awards.

(b) **Notice to Centier.** Mortgagor will promptly notify Centier of any action or proceeding relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Premises, whether direct or indirect (a "Condemnation"). Mortgagor will appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Centier in writing. Mortgagor authorizes and appoints Centier as attorney-in-fact for Mortgagor to commence, appear in and prosecute, in Centier's or Mortgagor's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 3.8 will require Centier to incur any expense or take any action.

(c) **Application of Awards.** Centier may apply an Award or any portion thereof, after the deduction of Centier's expenses incurred in the collection of such amounts, at Centier's option, to the restoration or repair of the Premises or, if the conditions provided in Section 3.8(d) hereof are not fully met, to the payment of the Secured Obligations with the balance, if any, to Mortgagor. Unless Centier otherwise agrees in writing, any application of any Award to the Secured Obligations will not extend or postpone the due date of any installments referred to in

the Note, or change the amount of such installments. Mortgagor agrees to execute such further evidence of assignment of any Awards or proceeds as Centier may require.

(d) **Application of Proceeds.** Centier will apply all Award amounts, after the deduction of Centier's expenses incurred in the collection of such amounts, to the restoration or repair of the Premises, up to the full amount of all reasonable costs therefor, if all of the following conditions are met: (i) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (ii) Centier determines, in its reasonable discretion, that there will be sufficient funds to complete the applicable restoration; (iii) Centier determines, in its reasonable discretion, that the rental income from the Premises after completion of the restoration will be sufficient to meet all operating costs and other expenses, deposits to reserves and loan repayment obligations relating to the Premises; and (iv) Centier determines, in its reasonable discretion, that the restoration will be completed before the earlier of: (A) the date which is one year before the Maturity Date (as defined in the Note), or (B) the date which is one year after the date of the loss of the applicable portion of the Premises.

3.9 **Security Agreement.** Mortgagor and Centier agree that this Instrument will constitute a security agreement within the meaning of the Indiana Uniform Commercial Code (the "Code") with respect to (i) all sums at any time on deposit for the benefit of Centier or held by Centier (whether deposited by or on behalf of Mortgagor or any other person on behalf of Mortgagor, or any other Loan Party) pursuant to any of the provisions of this Instrument and/or any of the other Loan Documents and (ii) with respect to any personal property included in the granting clauses of this Instrument, which personal property may not be deemed to be affixed to the Premises and/or may not constitute a "fixture" (within the meaning of Section 9.1-102(a)(41) of the Code) (which property, together with all replacements thereof, substitutions therefor, additions thereto and the proceeds thereof being sometimes hereafter collectively referred to as the "Personal Property Collateral"), and that a security interest in and to the Personal Property Collateral is hereby granted to Centier, and the Personal Property Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to Centier, subject to the Permitted Exceptions, all to secure payment of the Secured Obligations. All of the provisions contained in this Instrument pertain and apply to the Personal Property Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Section will not limit the applicability of any other provision of this Instrument but will be in addition thereto.

(a) **Title to Personal Property Collateral.** Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Personal Property Collateral, subject to no liens, charges or encumbrances other than the Permitted Exceptions.

(b) **Use.** The Personal Property Collateral is to be used by Mortgagor solely and for business purposes.

(c) **Location.** The Personal Property Collateral will be kept at the Premises and, except for items of personal property no longer in use and with no substantial current value, will not be removed therefrom without the consent of

Centier (being the Secured Party as that term is used in the Code). The Personal Property Collateral may be affixed to the Land but will not be affixed to any other real estate.

(d) **Interests in Personal Property Collateral.** The only persons having any interest in the Personal Property Collateral are Mortgagor, Centier and holders of the Permitted Exceptions.

(e) **Financing Statements.** No Financing Statement (other than Financing Statements showing Centier as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Personal Property Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to Centier such further information and will execute and deliver to Centier such financing statements and other documents in form satisfactory to Centier and will do all such acts as Centier may at any time or from time to time request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Personal Property Collateral as security for the Secured Obligations, subject to no other liens or encumbrances, other than the Permitted Exceptions, and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Centier to be desirable.

(f) **Remedies.** Upon the occurrence of an Event of Default hereunder and during the continuation thereof, Centier will have the remedies of a secured party under the Code, and Centier will be entitled to hold, maintain, preserve and prepare the Personal Property Collateral for sale, until disposed of, or may propose to retain the Personal Property Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Centier will give Mortgagor at least thirty (30) days' notice of the time and place of any public sale of the Personal Property Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice will be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor set forth herein at least thirty (30) days before the time of the sale or disposition. Centier may buy at any public sale. Centier may buy at private sale if the Personal Property Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Centier so elects, the Premises and the Personal Property Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorney's fees and legal expenses incurred by Centier, will be applied against the Secured Obligations then due and owing, by acceleration or otherwise, in such order or manner as Centier may select. Centier will cause any surplus to be paid to Mortgagor.

(g) **Definitions.** The terms and provisions contained in this Section 3.9 will, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

(h) **Mortgage as Financing Statement.** This Instrument is intended to be a financing statement within the purview of Section 9.1-502(b) of the Code with respect to the Personal Property Collateral and the goods described herein, which goods are or may become Fixtures relating to the Premises. The addresses of Mortgagor (Guarantor) and Centier (Secured Party) are hereinabove set forth. This Instrument is to be filed for record in the Office of the Recorder of Lake County, Indiana.

3.10 **Restrictions on Transfer.**

(a) Mortgagor will not, without the prior written consent of Centier, effect, suffer or permit any Prohibited Transfer (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests and/or any portions thereof and/or any interests therein will constitute a "Prohibited Transfer":

- (i) all or any portion of the Premises, and/or
 - (ii) any interests of Mortgagor in or with respect to the Premises:
- and/or
- (iii) the Personal Property Collateral or any part thereof or interest therein; and/or
 - (iv) any transfer of any equity or other ownership interests in or to the entity constituting Mortgagor in an amount greater than twenty-five percent (25%),

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly (including pursuant to a nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of this Section 3.10(a) will not apply to liens securing the Secured Obligations, or to the Permitted Exceptions, or to any leases with respect to the Premises or any portion thereof entered into in the ordinary course of business.

(b) **Company Transactions.** Mortgagor will not merge into or consolidate with any person or dissolve, terminate or liquidate, in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case Centier's consent.

3.11 **Events of Default.**

(a) **Definition.** The occurrence of any Event of Default as defined in the Loan Agreement, including but not limited to any failure of Mortgagor to pay any amounts due under or with respect to the Loan Agreement, the Note and/or any of the other Secured Obligations within ten (10) days after the due date thereof, will constitute an "Event of Default" under this Instrument.

(b) **Acceleration.** Upon the occurrence of an Event of Default Centier may, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Centier hereunder, declare, without further notice, all Secured Obligations immediately due with interest thereon at the default rate provided in the Note, whether or not such Event of Default is thereafter remedied by Mortgagor, and Centier may immediately proceed to foreclose this Instrument and to exercise any right and/or remedy provided by this Instrument and/or any of the other Loan Documents.

3.12 **Foreclosure.** When the Secured Obligations become due, whether by acceleration or otherwise, Centier will have the right to foreclose the lien hereof in accordance with the laws of Indiana and to exercise any other remedies of Centier provided in this Instrument and/or any of the other Loan Documents or which Centier may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there will be allowed and included as additional Secured Obligations in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Centier for attorney's 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 Centier 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 Premises, and any other expenses and expenditures which may be paid or incurred by or on behalf of Centier and permitted by the laws of Indiana to be included in such decree. All expenditures and expenses of the nature mentioned in this Section, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Instrument, including the fees of any attorney employed by Centier in any litigation or proceedings affecting this Instrument or the Premises, 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, will be so much additional Secured Obligations and will be immediately due and payable by Mortgagor, with interest thereon at the applicable default rate until paid.

3.13 **Right of Possession.** When the Secured Obligations become due, whether by acceleration or otherwise, or if Centier has a right to institute foreclosure proceedings, Mortgagor will, forthwith upon demand of Centier, surrender to Centier, and Centier will be entitled to be placed in possession of, the Premises and the other Collateral as provided in the statutes relating to the foreclosure of mortgages, and Centier, in its discretion upon notice to Mortgagor, may enter upon and take and maintain possession of all or any part of the Premises and the other Collateral, together with all documents, books, records, papers and accounts of

Mortgagor or the then owner of the Premises and the other Collateral relating thereto, and may exclude Mortgagor, such owner, and any agents and servants thereof wholly therefrom and may, on behalf of Mortgagor or such owner, or in its own name as Centier and under the powers herein granted:

(a) hold, operate, manage and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents;

(b) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments and improvements in connection with the Premises as may seem judicious to Centier, to insure and reinsure the Premises and all risks incidental to Centier's possession, operation and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom; and/or

(c) apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of Taxes, Premiums and other charges applicable to the Premises, or in reduction of the Secured Obligations in such order and manner as Centier may select.

Without limiting the generality of the foregoing, Centier will have all power, authority and duties as provided in the statutes relating to the foreclosure of mortgages. Nothing herein contained will be construed as constituting Centier a mortgagee in possession in the absence of the actual taking of possession of the Premises.

3.14 **Receiver.** Upon the institution of a foreclosure proceeding or at such later time as required by law, if any, or at any time thereafter, the court in which such proceeding is instituted may appoint upon petition of Centier, and at Centier's sole option, a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same will be then occupied as a homestead or not; and Centier hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver will have all powers and duties prescribed by law, including the power to make leases to be binding upon all parties, including the Mortgagor, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of foreclosure. In addition, such receiver will also have the power to extend or modify any then-existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the final date for payment of liabilities and performance of obligations set forth in the Note, this Instrument and the other Loan Documents and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other provisions to be contained therein, will be binding on Mortgagor and all the persons whose interest in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, reinstatement, discharge of the Secured Obligations, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser. In addition, such receiver will have the power to collect the rents, issues and profits of the Premises during the pendency of

such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and such receiver will have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in payment in whole or in part of: (a) the Secured Obligations or the indebtedness secured by a decree foreclosing this Instrument, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

3.15 **Foreclosure Sale.** Except to the extent otherwise required by the statutes relating to the foreclosure of mortgages, the proceeds of any foreclosure sale of the Premises will be distributed and applied in the following order of priority: First, all items which under the terms hereof constitute Secured Obligations in such order as Centier may elect with interest thereon as herein provided; and second, any surplus to Mortgagor and its successors and assigns, as their rights may appear.

3.16 **Insurance During Foreclosure.** All rights and powers of Centier under Section 3.13 of this Instrument will, from and after the entry of judgment of foreclosure, continue in Centier as decree creditor until confirmation of sale. In case of an insured loss after foreclosure has been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, as aforesaid, will be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, will be paid as the court may direct. The foreclosure decree may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors. In the event of foreclosure sale, Centier may, without the consent of Mortgagor, assign any Insurance Policies to the purchaser at the sale, or take such other steps as Centier may deem advisable to protect the interest of such purchaser.

3.17 **Waiver of Right of Redemption.** To the full extent permitted by law, Mortgagor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or claim or exercise any rights under any statute now or hereafter in force to redeem the property or any part thereof, or relating to the marshaling thereof, on foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights to redemption provided by law or equity 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 Premises 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 will be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Centier, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof will be subject to any defense which would not be good and valid in an action at law upon the other Loan Documents to which Mortgagor is a party. Mortgagor acknowledges that the Premises do not constitute residential real estate.

3.18 **Assignment of Rents and Leases.**

(a) **Present Assignment.** In consideration of the Loan and other good and valuable consideration, including but not limited to the indebtedness evidenced by the Note, the receipt and sufficiency of which are hereby acknowledged and confessed, Mortgagor has absolutely and unconditionally ~~GRANTED, BARGAINED, SOLD, and CONVEYED~~, and hereby does absolutely and unconditionally ~~GRANT, BARGAIN, SELL, and CONVEY~~ the Rents and Profits to Centier, in order to provide a source of future repayment of the Loan and the other Secured Obligations, subject only to the Permitted Exceptions applicable thereto. It is the intention of Mortgagor and Centier that this conveyance is presently and immediately effective, and is neither conditional nor security for the repayment of the Loan and the other Secured Obligations, TO HAVE AND TO HOLD the Rents and Profits to Centier forever, and Mortgagor hereby binds itself, its successors, and assigns to warrant and forever defend the title to the Rents and Profits to Centier against every person whomsoever lawfully claiming or to claim the same or any part thereof; provided, however, that if Mortgagor pays or causes to be paid the Loan as and when due and payable and performs and discharges, or cause to be performed and discharged, the other Secured Obligations on or before the date same are to be performed and discharged, then this assignment will terminate and be of no further force and effect, and all rights, titles, and interests conveyed pursuant to this assignment will become vested in Mortgagor without the necessity of any further act or requirement by Mortgagor, Trustee, or Centier.

(b) **Lease Rent Notices.** Mortgagor hereby authorizes and directs any lessees or tenants of the Premises that, upon written notice from Centier (each a "**Lease Rent Notice**"), all Rents and Profits and all payments required under the Leases, or in any way respecting same, will be made directly to Centier as they become due. Mortgagor hereby relieves said lessees and tenants from any liability to Mortgagor by reason of said payments being made to Centier. Centier is hereby authorized to give such notification upon the occurrence of any Event of Default or otherwise as determined by Centier.

(c) **Limited License.** Centier hereby grants to Mortgagor the license subject to termination of the license and the other terms and provisions of Section 3.18(e) hereof, to exercise and enjoy all incidences of the status of a lessor with respect to the Rents and Profits including, without limitation, the right to collect, demand, sue for, attach, levy, recover, and receive the Rents and Profits, and to give proper receipts, releases, and acquittances therefor.

Pursuant to the foregoing, until Centier gives the Lease Rent Notices, Mortgagor will be entitled to collect all such Rents and Profits and/or payments. Mortgagor hereby agrees to receive all Rents and Profits and hold the same as Mortgagor's agent, to be applied, and to apply the Rents and Profits so collected, first to the payment of the Loan, next to the performance and discharge of the other Secured Obligations, and next to the payment of operating expenses. Until the Lease Rent Notices are given, Mortgagor may use the balance of the Rents and Profits collected in any manner not inconsistent with the Loan Documents. Neither this assignment nor the receipt of Rents and Profits by Centier will effect a *pro tanto* payment of the indebtedness evidenced by, or arising under the Loan, and such Rents and Profits will be applied as provided in this Section 2.2. Furthermore, no credit will be given by Centier for any Rents and Profits until the money collected is actually received by Centier at the place provided in the Note, and no such credit will be given for any Rents and Profits after termination of this license, after foreclosure or other transfer of the Premises (or part thereof from which Rents and Profits are derived pursuant to this Security Instrument) to Centier or any other third party.

(d) **Reliance Upon Lease Rent Notice.** Upon receipt from Centier of a Lease Rent Notice, each tenant under the Leases is hereby authorized and directed to pay directly to Centier all Rents and Profits thereafter accruing and the receipt of Rents and Profits by Centier will be a release of such tenant to the extent of all amounts so paid. The receipt by a tenant under the Leases of a Lease Rent Notice will be sufficient authorization for such tenant to make all future payments of Rents and Profits directly to Centier, and each such tenant will be entitled to rely on such Lease Rent Notice and will have no liability to Mortgagor for any Rents and Profits paid to Centier after receipt of such Lease Rent Notice. Rents and Profits so received by Centier for any period prior to foreclosure under this Security Instrument or acceptance of a deed in lieu of such foreclosure will be applied by Centier to the payment of the following (in such order and priority as Centier may determine): (a) all operating expenses, and all expenses incident to taking and retaining possession of the Premises and/or collecting Rent and Profits as they become due and payable; and (b) the Loan. In no event will this Section 2.2 reduce the outstanding amount of the Loan except to the extent, if any, that Rents and Profits are actually received by Centier and applied upon or after said receipt to such Loan in accordance with the preceding sentence. Without impairing its rights hereunder, Centier may, at its option, at any time and from time to time, release to Mortgagor, Rents and Profits so received by Centier or any part thereof. As between Mortgagor and Centier, and any person claiming through or under Mortgagor, other than any tenant lessee under the Leases who has not received a Lease Rent Notice, this assignment of rents is intended to be absolute, unconditional and presently effective (and not an assignment for additional security), and the Lease Rent Notice hereunder is intended solely for the benefit of each such tenant and will not inure to the benefit of Mortgagor or any person claiming through or under Mortgagor, other than a tenant who has not received such notice. It will never be necessary for Centier to institute legal proceedings of any kind whatsoever to enforce the provisions of this Security Instrument with respect to Rents and Profits. **MORTGAGOR WILL HAVE NO RIGHT OR CLAIM AGAINST ANY TENANT FOR THE PAYMENT OF ANY RENTS AND PROFITS TO CENTIER HEREUNDER, AND MORTGAGOR HEREBY INDEMNIFIES AND AGREES TO HOLD FREE AND HARMLESS EACH TENANT FROM AND AGAINST ALL LIABILITY, LOSS, COST, DAMAGE OR EXPENSE SUFFERED OR INCURRED BY SUCH TENANT BY REASON OF SUCH TENANT'S COMPLIANCE WITH ANY DEMAND FOR PAYMENT OF RENTS AND PROFITS MADE BY CENTIER CONTEMPLATED BY THIS SECURITY INSTRUMENT.**

(e) **Collections of Rent.** At any time during which Mortgagor is receiving Rents and Profits from any of the tenants under the Leases, Mortgagor will, upon receipt of a written direction from Centier, make demand and/or sue for all Rents and Profits due and payable under one or more Leases, as directed by Centier, as they become due and payable, including Rents and Profits which are past due and unpaid. If Mortgagor fails to take such action, or at any time during which Mortgagor is not receiving Rents and Profits directly from tenants under the Leases, Centier will have the right (but will be under no duty) to demand, collect and sue for, in its own name or in the name of Mortgagor, all Rents and Profits due and payable under the Leases, as they become due and payable, including Rents and Profits which are past due and unpaid.

(f) **Termination.** Upon payment in full of the Loan and the other Secured Obligations, the delivery and recording of a release satisfaction or discharge of this Security Instrument duly executed by Centier and a re-assignment of the Rents and Profits to Mortgagor, the assignment in this Section 2.2 will terminate, become null and void and shall be of no further force and effect.

(g) **Other Remedies not Required.** Centier may enforce this assignment without first resorting to or exhausting any security or collateral for the Secured Obligations.

3.19 Centier's Performance of Mortgagor's Obligations. Upon the occurrence of an Event of Default and during the continuation thereof, either before or after acceleration of the Secured Obligations or the foreclosure of the lien hereof, Centier may, but will not be required to, make any payment or perform any act herein required of Mortgagor in any manner deemed expedient to Centier. Centier may, but will not be required to, complete construction, furnishing and equipping of the Improvements and rent, operate and manage the Premises and the Improvements and pay operating costs, including management fees, of every kind in connection therewith, so that the Premises will be useable for their intended purposes. All such monies paid and expenses incurred, including reasonable attorney's fees, will be so much additional Secured Obligations, whether or not the Secured Obligations, as a result thereof, will exceed the face amount of the Note, and will become immediately due with interest thereon at the applicable default rate. Inaction of Centier will never be considered as a waiver of any right accruing to it on account of any Event of Default nor will the provisions of this Section or any exercise by Centier of its rights hereunder prevent any default from constituting an Event of Default. Centier, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Premises or the rental, operation or management of the Premises or the payment of operating costs thereof, may do so in such amounts and to such persons as Centier may deem appropriate. Nothing contained herein will be construed to require Centier to advance monies for any purpose.

3.20 **Financial Statements and Reporting.** During the term of the Loan, Mortgagor will furnish Centier with financial statements and financial information as provided in the Loan Agreement.

3.21 **Environmental Hazards.** Mortgagor hereby again makes all representations, warranties, and agreements provided in Section 6.6 of the Loan Agreement.

3.22 **Payment of Fees and Expenses.** Mortgagor will pay or reimburse Centier for all of Centier's out-of-pocket expenses related to making, monitoring, performing and enforcing the Loan, including but not limited to all costs of or relating to: (a) title insurance, (b) surveys, (c) recording costs, (d) appraisals, (e) environmental inspections, reports, reviews, testing, investigations, and other matters; (f) construction and building inspections, reviews, and reports, including but not limited to all charges and fees of the Inspector and any other reviewing architects and engineers, (g) filing fees and charges for UCC searches; (h) fees, costs, expenses and charges for Centier's legal counsel, including but not limited to legal fees and costs relating to document preparation, closing of the Loan, monitoring of the Loan, and defaults under or with respect to the Loan, regardless of whether or not suit is filed. All such charges will be paid by Mortgagor immediately upon receiving notice thereof from Centier.

3.23 **Rights Cumulative.** Each right and each remedy herein or in any of the other Loan Documents conferred upon Centier is cumulative and in addition to every other right provided by the other Loan Documents and/or at law or in equity, and Centier may exercise each such right in any manner deemed expedient to Centier. Centier's exercise or failure to exercise any right will not be deemed a waiver of that right or any other right or a waiver of any default. Except as otherwise specifically required herein, Centier is not required to give notice of its exercise of any right given to it by this Instrument.

3.24 **Successors and Assigns.**

(a) **Holder of Note and Other Loan Documents.** This Instrument and each provision hereof will be binding upon Mortgagor and its successors and assigns (including, without limitation, each and every record owner from time to time of the Collateral or any other person having an interest therein), and will inure to the benefit of Centier and its successors and assigns. Wherever herein Centier is referred to, such reference will be deemed to include the holder from time to time of the rights of Centier provided in the Note and/or the other Loan Documents; and each such holder will have all of the rights afforded hereby, and may enforce the provisions hereof, as fully as if Centier had designated such holder of the Note and/or the other Loan Documents herein by name.

(b) **Covenants Run with Land; Successor Owners.** All of the covenants of this Instrument will run with the Land and be binding on any successor owners of the Land. If the ownership of the Premises or any portion thereof becomes vested in a person other than Mortgagor, Centier may, without notice to Mortgagor, deal with such person with reference to this Instrument in the same manner as with Mortgagor without in any way releasing Mortgagor from its obligations hereunder. Mortgagor will give immediate written notice to Centier of any conveyance, transfer or change of ownership of the Premises, but nothing in this paragraph will vary the effectiveness of the provisions of Section 3.9 hereof.

3.25 **Effect of Extensions and Amendments.** If the payment of the Secured Obligations, or any part thereof, is extended or varied, or if any part of the security or guaranties thereof is released, all persons now or at any time hereafter liable therefor, or interested in the Premises, will be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, will continue in full force and effect; the right of recourse against all such persons being expressly reserved by Centier, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Premises or any part thereof or any interest therein, will take the said lien subject to the rights of Centier to amend, modify, extend or release the Note, this Instrument or any other Loan Document, in each case without obtaining the consent of the holder of such junior lien and without the lien of this Instrument losing its priority over the rights of any such junior lien.

3.26 **Future Advances.** At all times, this Instrument secures as part of the Secured Obligations, future advances that may be made by Centier to Mortgagee; provided, however, that in no event will the total principal amount of such future advances secured hereby, specifically excluding all obligations under or with respect to the Note and/or any of the other Loan Documents, exceed \$33,070,000.00.

3.27 **Execution of Separate Security Agreements, Financing Statements, etc.:**
Estoppel Letter. Mortgagee will do, execute, acknowledge and deliver all such further acts, conveyances, notes, mortgages, security agreements, financing statements and assurances as Centier may reasonably require assuring, conveying, mortgaging, assigning and confirming to Centier all property mortgaged hereby or property intended so to be, whether now owned by Mortgagee or hereafter acquired. From time to time, Mortgagee will furnish within five (5) Business Days after Centier's request a written and duly acknowledged statement of the Secured Obligations and whether any alleged offsets or defenses exist against the Secured Obligations.

3.28 **Subrogation.** If any part of the Secured Obligations is used directly or indirectly to satisfy, in whole or in part, any prior encumbrance upon the Collateral or any part thereof, then Centier will be subrogated to the rights of the holder thereof in and to such other encumbrance and any additional security held by such holder, and will have the benefit of the priority of the same.

3.29 **Availability of Remedies.** To the extent that the laws of the State of Indiana limit: (a) the availability of the exercise of any of the remedies set forth in this Instrument, including, without limitation, the remedies involving a power of sale on the part of Centier, the right of Centier to pursue concurrent and multiple remedies, and the right of Centier to exercise self-help in connection with the enforcement of the terms of this Instrument, or (b) the enforcement of waivers and indemnities made by Mortgagee, such remedies, waivers, or indemnities will be exercisable or enforceable, any provisions in this Instrument to the contrary notwithstanding, if and to the extent permitted by the laws in force at the time of the exercise of such remedies or the enforcement of such waivers or indemnities without regard to the enforceability of such remedies, waivers or indemnities at the time of the execution and delivery of this Instrument.

3.30 **No Joint Ventures.** Mortgagor acknowledges that the relationship between the parties is that of mortgagor and mortgagee and that in no event will Centier be deemed to be a partner or joint venturer with Mortgagor. Centier will not be deemed to be such a partner or joint venturer by reason of its becoming a mortgagee in possession or exercising any rights pursuant to this Instrument or any other of the Loan Documents.

3.31 **Time of the Essence.** Time is of the essence.

3.32 **Captions and Pronouns.** The captions and headings of the various sections of this Instrument are for convenience only, and are not to be construed as confirming or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular will include the plural, the plural will include the singular, and the masculine, feminine and neuter will be freely interchangeable.

3.33 **Severability.** If all or any portion of any provision of this Instrument or the other Loan Documents will be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability will not affect any other provision hereof or thereof, and such provision will be limited and construed in such jurisdiction as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

3.34 **Notices.** Any notice or other communication which any person may desire or may be required to give to any other person pursuant or with respect to this Instrument and/or any of the other Loan Documents will be served upon the parties as provided in the Loan Agreement.

3.35 **Anti-Forfeiture.** Mortgagor hereby expressly represents and warrants to Centier that there has not been committed by Mortgagor or, to the best of the knowledge of Mortgagor, by any other person involved with the Premises any act or omission affording the federal government or any state or local government the right of forfeiture as against the Premises or any part thereof or any monies paid in performance of its obligations under the Guaranty Agreement, this Instrument or any of the other Loan Documents, and Mortgagor hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. In furtherance thereof, Mortgagor agrees to indemnify, defend with counsel reasonably acceptable to Centier (at Mortgagor's sole cost) and hold Centier harmless from and against any claim or other cost (including, without limitation, reasonable attorneys' fees and costs incurred by Centier), damage, liability or injury by reason of the breach of the covenants and agreements or the warranties and representations set forth in the prior sentence, excluding only such matters arising from the sole negligence or intentional misconduct of Centier. Without limiting the generality of the foregoing, the filing of formal charges or the commencement of proceedings against Mortgagor, Centier or all or any part of the Premises under any federal or state law in which forfeiture of the Premises or any part thereof or of any monies paid in performance of Mortgagor's obligations under the Guaranty Agreement, this Instrument or any of the other Loan Documents is a potential result will, at the election of Centier, constitute an Event of Default hereunder without notice or opportunity to cure.

3.36 **Jury Trial Waiver.** Mortgagor waives, to the extent permitted by law, trial by jury in any actions brought by either the Mortgagor or Centier in connection with the Secured Obligations.

3.37 **Return of Payments.** Mortgagor agrees that, if at any time all or any part of the payments theretofore applied by Centier to any Secured Obligation is rescinded or returned by Centier or Centier is required to pay any amount thereof to any other party for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, liquidation or reorganization of any party or the determination that such payment is held to constitute a preference under the bankruptcy laws), such Secured Obligation will, for the purposes of this Instrument, be deemed to have continued in existence to the extent of such payment, notwithstanding such application by Centier, and this Instrument and the liens, security interests, rights and remedies created hereby will continue to be effective or be reinstated, as the case may be, as to such Secured Obligation, whether or not released of record or a satisfaction and release has been delivered by Centier, all as though such application and release by Centier had not been made and Mortgagor agrees to pay such amount to Centier upon demand and to execute any and all documents required to effect the provisions of this Section.

3.38 **No Merger.** It is the desire and intention of the parties hereto that this Instrument and the lien hereof will not merge in fee simple title to the Premises, unless a contrary intent is ever manifested by Centier as evidenced by an express statement to that effect in an appropriate document duly recorded. Therefore, it is hereby understood and agreed that should Centier acquire any additional or other interests in or to the Premises or the ownership thereof, then this Instrument and the lien hereof will not merge in the fee simple title, toward the end that this Instrument may be foreclosed as if owned by a stranger to the fee simple title.

3.39 **Advances.** This Instrument is given to secure, in part, future advances under or with respect to the Note and/or the other Loan Documents, and will secure not only the initial advance under the Note and the other Loan Documents, but also any subsequent advances and/or other payments made under or with respect to the Note and/or the other Loan Documents. This Instrument will be valid and will, to the fullest extent permitted by law, have priority over any and all liens and encumbrances arising after this Instrument is recorded in the recorder's office in the county in which the Land is located, including (to the extent permitted by applicable law) statutory liens except real property taxes and assessments levied on the Collateral.

3.40 **Further Assurances.** Mortgagor will execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements, transfers and assurances as Centier may require from time to time in order to better assure, grant, and convey to Centier the rights intended to be granted, now or in the future, to Centier under this Instrument and/or under any of the other Loan Documents.

3.41 **Governing Law; Jurisdiction.**

(a) **Governing Law.** THIS INSTRUMENT HAS BEEN DELIVERED IN LAKE COUNTY, INDIANA. THE SUBSTANTIVE INTERNAL LAWS OF THE STATE OF INDIANA

WILL APPLY FOR ALL PURPOSES (EXCEPT THE CREATION AND ENFORCEMENT OF LIENS ON COLLATERAL LOCATED IN OTHER JURISDICTIONS), INCLUDING, WITHOUT LIMITATION, ACTIONS ON THIS INSTRUMENT, THE NOTE, OR ANY OTHER LOAN DOCUMENTS, WHETHER SUCH ACTION IS BROUGHT SEPARATELY FROM THIS INSTRUMENT OR BEFORE, CONCURRENTLY OR SUBSEQUENTLY TO THE FORECLOSURE OF THIS INSTRUMENT).

(b) **Jurisdiction and Venue.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT AS PROVIDED IN SECTION 3.42 BELOW, MORTGAGOR AND CENTIER EACH HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS INSTRUMENT WILL BE TRIED AND DETERMINED ONLY IN THE FEDERAL COURT LOCATED IN THE NORTHERN DISTRICT OF INDIANA OR THE STATE COURT LOCATED IN LAKE COUNTY, INDIANA. TO THE MAXIMUM EXTENT PERMITTED BY LAW, MORTGAGOR AND CENTIER EACH HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION. MORTGAGOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF INDIANA LOCATED IN LAKE COUNTY, INDIANA AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF INDIANA FOR THE PURPOSE OF SUCH LITIGATION AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH LITIGATION. MORTGAGOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY CERTIFIED OR REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE AT THE ADDRESS OF MORTGAGOR STATED HEREIN. TO THE EXTENT THAT MORTGAGOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, MORTGAGOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS INSTRUMENT.

3.42 **Other Jurisdictions.** MORTGAGOR AGREES THAT CENTIER WILL HAVE THE RIGHT TO PROCEED AGAINST MORTGAGOR OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE CENTIER TO REALIZE ON SUCH PROPERTY, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF CENTIER. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT IN ACCORDANCE WITH THIS PROVISION BY CENTIER TO REALIZE ON SUCH PROPERTY, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF CENTIER. MORTGAGOR WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH CENTIER HAS COMMENCED A PROCEEDING DESCRIBED IN THIS SECTION.

[Signature Page Follows]

IN WITNESS WHEREOF, Mortgagor has caused this Leasehold Mortgage, Assignment of Rents and Leases and Security Agreement (Financing Statement) to be duly signed and delivered as an instrument under seal as of the day and year first above written.

Mortgagor: **CROSSROADS YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**, an Indiana nonprofit corporation

By: Thomas Hoffman
Thomas Hoffman
President

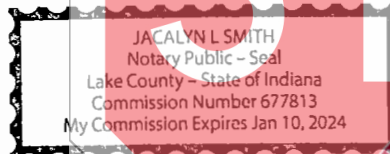
STATE OF INDIANA

COUNTY OF Howe)

ss.

BEFORE ME, the undersigned, a Notary Public, on December 18, 2017, personally appeared Thomas Hoffman, personally known to me, to be the same person whose name is subscribed to the foregoing document as President of Crossroads Young Men's Christian Association, Inc., and being first duly sworn by me upon oath, acknowledged that such person has read and understands the foregoing and that such person has affixed such person's name to and delivered said document as such person's own free and voluntary act and as the free and voluntary act of said entity for the uses and purposes therein set forth.

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



, Notary Public

Commission Expires: _____ County of Residence: _____



This instrument was prepared by: Demetri J. Retson
Krieg DeVault LLP
8001 Broadway, Suite 400
Merrillville, Indiana 46410
219-227-6089

The foregoing preparer states as follows: I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. – Demetri J. Retson

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

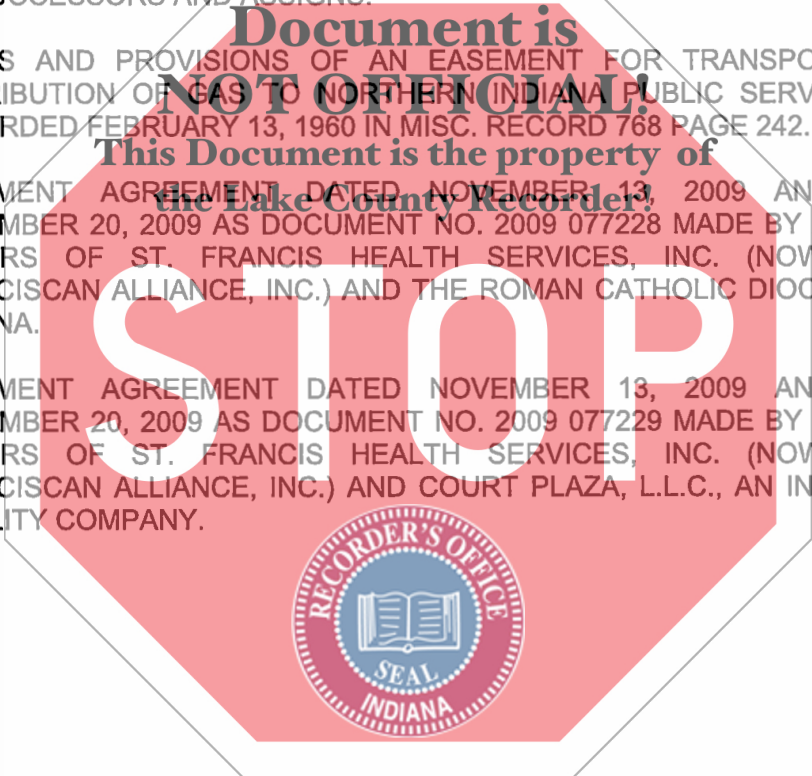
Parcel 1: A PARCEL OF LAND LYING IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, CITY OF CROWN POINT, LAKE COUNTY, INDIANA, SAID PARCEL DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID EAST HALF, THENCE NORTH 00 DEGREES 17 MINUTES 03 SECONDS EAST, 592.38 FEET ALONG THE WEST LINE OF SAID EAST HALF; THENCE SOUTH 89 DEGREES 34 MINUTES 32 SECONDS EAST, 30.00 FEET TO A LINE 30 FEET EAST OF AND PARALLEL WITH SAID WEST LINE; THENCE NORTH 00 DEGREES 17 MINUTES 03 SECONDS EAST, 32.51 FEET ALONG LAST SAID PARALLEL LINE TO THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 34 MINUTES 32 SECONDS EAST, 176.64 FEET PARALLEL WITH THE SOUTH LINE OF SAID EAST HALF; THENCE SOUTH 00 DEGREES 17 MINUTES 03 SECONDS WEST, 32.51 FEET; THENCE SOUTH 89 DEGREES 34 MINUTES 32 SECONDS EAST, 914.05 FEET PARALLEL WITH SAID SOUTH LINE; THENCE SOUTH 00 DEGREES 17 MINUTES 03 SECONDS WEST, 592.38 FEET PARALLEL WITH SAID WEST LINE TO A LINE 30 FEET NORTH OF AND PARALLEL WITH SAID SOUTH LINE; THENCE NORTH 89 DEGREES 34 MINUTES 32 SECONDS WEST, 1090.61 FEET ALONG LAST SAID PARALLEL LINE TO SAID 30 FOOT PARALLEL LINE EAST OF SAID WEST LINE; THENCE NORTH 00 DEGREES 17 MINUTES 03 SECONDS EAST, 594.89 FEET ALONG LAST SAID PARALLEL LINE TO THE POINT OF BEGINNING, CONTAINING 14.21 ACRES MORE OR LESS.

Parcel 2: A PARCEL OF LAND LYING IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, CITY OF CROWN POINT, LAKE COUNTY, INDIANA, SAID PARCEL DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID EAST HALF, THENCE NORTH 00 DEGREES 17 MINUTES 03 SECONDS EAST, 592.38 FEET ALONG THE WEST LINE OF SAID EAST HALF; THENCE SOUTH 89 DEGREES 34 MINUTES 32 SECONDS EAST, 30.00 FEET TO A LINE 30 FEET EAST OF AND PARALLEL WITH SAID WEST LINE; THENCE NORTH 00 DEGREES 17 MINUTES 03 SECONDS EAST, 32.51 FEET ALONG LAST SAID PARALLEL LINE; THENCE SOUTH 89 DEGREES 34 MINUTES 32 SECONDS EAST, 68.74 FEET PARALLEL WITH THE SOUTH LINE OF SAID EAST HALF TO THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 17 MINUTES 03 SECONDS EAST, 296.28 FEET PARALLEL WITH SAID WEST LINE; THENCE NORTH 62 DEGREES 49 MINUTES 44 SECONDS EAST, 51.35 FEET; THENCE SOUTH 57 DEGREES 00 MINUTES 48 SECONDS EAST, 85.84 FEET; THENCE NORTH 82 DEGREES 40 MINUTES 23 SECONDS EAST, 37.33 FEET; THENCE SOUTH 80 DEGREES 41 MINUTES 59 SECONDS EAST, 32.12 FEET; THENCE SOUTH 49 DEGREES 21 MINUTES 48 SECONDS EAST, 126.85 FEET; THENCE SOUTH 62 DEGREES 28 MINUTES 05 SECONDS EAST, 47.38 FEET; THENCE SOUTH 72 DEGREES 28 MINUTES 05 SECONDS EAST, 70.29 FEET; THENCE SOUTH 82 DEGREES 43 MINUTES 02 SECONDS EAST, 182.46 FEET; THENCE SOUTH 63 DEGREES 46 MINUTES 05 SECONDS EAST, 113.26 FEET; THENCE SOUTH 89 DEGREES 46 MINUTES 05 SECONDS EAST, 75.61 FEET; THENCE SOUTH 47 DEGREES 58 MINUTES 08 SECONDS EAST, 167.84 FEET TO A LINE 592.38 FEET NORTH OF (AS MEASURED ALONG SAID WEST LINE) AND PARALLEL WITH SAID SOUTH LINE; THENCE NORTH 89 DEGREES 34 MINUTES 32 SECONDS WEST, 769.31 FEET ALONG LAST SAID PARALLEL LINE; THENCE NORTH 00 DEGREES 25 MINUTES 28 SECONDS EAST, 32.51 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 32 SECONDS WEST, 107.90 FEET PARALLEL WITH SAID SOUTH LINE FEET TO THE POINT OF BEGINNING, CONTAINING 3.79 ACRES MORE OR LESS.

Tax Parcel Numbers: 45-16-17-300-015.000-042; 45-16-17-300-901.000-042

**EXHIBIT B
PERMITTED EXCEPTIONS**

1. Real property taxes for 2017 (payable 2018) and subsequent years.
2. The Ground Lease
3. RIGHTS OF THE PUBLIC, THE MUNICIPALITY AND THE STATE IN AND TO THAT PART OF THE LAND TAKEN OR USED FOR ROADS AND HIGHWAYS, IF ANY.
4. GRANT OF EASEMENT RECORDED DECEMBER 28, 1949 IN MISC. BOOK 519 PAGE 366 AS DOCUMENT NO. 443156, TO ILLINOIS BELL TELEPHONE COMPANY, ITS SUCCESSORS AND ASSIGNS.
5. TERMS AND PROVISIONS OF AN EASEMENT FOR TRANSPORTATION AND DISTRIBUTION OF GAS TO NORTHERN INDIANA PUBLIC SERVICE COMPANY RECORDED FEBRUARY 13, 1960 IN MISC. RECORD 768 PAGE 242.
6. EASEMENT AGREEMENT DATED NOVEMBER 13, 2009 AND RECORDED NOVEMBER 20, 2009 AS DOCUMENT NO. 2009 077228 MADE BY AND BETWEEN SISTERS OF ST. FRANCIS HEALTH SERVICES, INC. (NOW KNOWN AS FRANCISCAN ALLIANCE, INC.) AND THE ROMAN CATHOLIC DIOCESE OF GARY, INDIANA.
7. EASEMENT AGREEMENT DATED NOVEMBER 13, 2009 AND RECORDED NOVEMBER 20, 2009 AS DOCUMENT NO. 2009 077229 MADE BY AND BETWEEN SISTERS OF ST. FRANCIS HEALTH SERVICES, INC. (NOW KNOWN AS FRANCISCAN ALLIANCE, INC.) AND COURT PLAZA, L.L.C., AN INDIANA LIMITED LIABILITY COMPANY.



STATEMENT REGARDING GROUND LEASE

To: Greater Indiana Title Company
8700 Broadway, Suite B
Merrillville, Indiana 46410
Attention: Jacalyn L. Smith

Reference is made to that certain Amended and Restated Lease dated as of January 18, 2017, executed by Franciscan Alliance, Inc. ("Landlord") and Crossroads Young Men's Christian Association, Inc. ("Tenant"), as modified by the Agreement for Modification of Lease dated as of June 14, 2017, and by the Second Agreement for Modification of Lease dated as of 15 September 15, 2017, subject to the Consent to Encumbrance of Leasehold Interest, dated as of September 15, 2017 (the "Ground Lease"). Pursuant to the Ground Lease, and subject to all terms and provisions thereof, Landlord has leased to Tenant the real property commonly known as 1450 South Court Street, Crown Point, Lake County, Indiana (the "Property").

Landlord hereby certifies that, as of the date hereof, there has been no default in the payment of the rents under or with respect to the Ground Lease; that there are no defaults under any other covenants of the lease to be performed by Tenant; and that there are no charges which Landlord claims to be additional liens upon the leasehold estate.

Dated: December 19, 2017

Landlord:



By:

Barbara H. Anderson
Barbara H. Anderson
President / CEO