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2022-511252  
03/16/2022 11:01 AM  
TOTAL FEES: 55.00  
BY: SP  
PG #: 39

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
GINA PIMENTEL  
RECORDER

CTNW2401924

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

by

PATRIOTS VILLAGE, LLC,  
an Indiana limited liability company

to and for the benefit of

PRESIDENTIAL BANK, FSB,  
a federal savings bank

CHICAGO TITLE INSURANCE COMPANY

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EXHIBIT A	Legal Description
EXHIBIT B	[Intentionally Deleted]
EXHIBIT C	Insurance Requirements

Property of Lake County Recorder

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

**THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING** ("Mortgage") is made as of February 28, 2022, by **Patriots Village, LLC**, an Indiana limited liability company ("Mortgagor"), to and for the benefit of **Presidential Bank, FSB**, a federal savings bank, its successors and assigns ("Mortgagee"):

### **RECITALS:**

(A) Pursuant to the terms and conditions of a Loan Agreement of even date herewith (as amended, restated or replaced from time to time, the "Loan Agreement") between, among others, Mortgagor and Mortgagee, Mortgagee has agreed to loan to Mortgagor the principal amount of Six Hundred Fifty-Two Thousand Six Hundred Seventy-Five and 00/100 Dollars (\$652,675.00) (the "Loan"). The Loan shall be evidenced by that certain Promissory Note of even date herewith in the original principal amount of Six Hundred Fifty-Two Thousand Six Hundred Seventy-Five and 00/100 Dollars (\$652,675.00) made by Mortgagor payable to Mortgagee (the "Note") and, for the Note, due on **February 28, 2032** (the "Maturity Date"), except as may be accelerated pursuant to the terms hereof or of the Note, the Loan Agreement or any other Loan Document (as defined in the Loan Agreement).

(B) A condition precedent to Mortgagee's extension of the Loan to Mortgagor is the execution and delivery by Mortgagor of this Mortgage.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees as follows:

Mortgagor hereby mortgages, grants, assigns, remises, releases, warrants and conveys to Mortgagee, its successors and assigns, and grants a security interest in, all of Mortgagor's right, title, and interest in and to the following described property, rights and interests (referred to collectively herein as "Premises"), all of which property, rights and interests are hereby pledged primarily and on a parity with the Real Estate (as defined below) and not secondarily:

**THE REAL ESTATE** located in the Town of Gary, Lake County, State of Indiana and legally described on Exhibit A attached hereto and made a part hereof (the "Real Estate");



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**TOGETHER WITH** all improvements of every nature whatsoever now or hereafter situated on the Real Estate, and all fixtures and personal property of every nature whatsoever now or hereafter owned by Mortgagor and on, or used in connection with the Real Estate or the improvements thereon, 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 of Mortgagor 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 by Mortgagor or on its behalf (the "Improvements");

**TOGETHER WITH** all easements, rights of way, gores of real estate, 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 Real Estate, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same;

**TOGETHER WITH** all rents, revenues, issues, profits, proceeds, income, royalties, "accounts," including "health-care-insurance receivables," escrows, letter-of-credit rights (each as defined in the Code hereinafter defined), security deposits, impounds, reserves, tax refunds and other rights to monies from the Premises and/or the businesses and operations conducted by Mortgagor thereon, to be applied against the Indebtedness (hereinafter defined); provided, however, that Mortgagor, so long as no Event of Default (as hereinafter defined) exists, may collect rent as it becomes due, but not more than one (1) semester in advance thereof;

**TOGETHER WITH** all interest of Mortgagor in all leases now or hereafter on the Premises, whether written or oral (the "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such Lease;

**TOGETHER WITH** all fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part of or used in connection with the Real Estate or the Improvements, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, exercise equipment, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Real Estate or the Improvements in any manner; it being mutually agreed that all of the aforesaid property owned by Mortgagor and placed on the Real Estate or the Improvements, so far as permitted by law, shall be deemed to be fixtures, a part of the realty, and security for the Indebtedness (as hereinafter defined); notwithstanding the agreement hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and be appropriated to its use and deemed to be

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realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute goods (as said term is used in the Uniform Commercial Code of the State of Indiana in effect from time to time (the "Code"), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in Mortgagee, as a secured party, and Mortgagor, as Debtor, all in accordance with the Code; and

**TOGETHER WITH** all of Mortgagor's interests in "general intangibles" including "payment intangibles" and "software" (each as defined in the Code) now owned or hereafter acquired and related to the Premises, including, without limitation, all of Mortgagor's right, title and interest in and to: (i) all agreements, licenses, permits and contracts to which Mortgagor is or may become a party and which relate to the Premises; (ii) all obligations and indebtedness owed to Mortgagor thereunder; (iii) all intellectual property related to the Premises; and (iv) all choses in action and causes of action relating to the Premises;

**TOGETHER WITH** all of Mortgagor's accounts now owned or hereafter created or acquired as relate to the Premises, including, without limitation, all of the following now owned or hereafter created or acquired by Mortgagor: (i) accounts, contract rights, health-care-insurance receivables, book debts, notes, drafts, and other obligations or indebtedness owing to the Mortgagor arising from the sale, lease or exchange of goods or other property and/or the performance of services; (ii) Mortgagor's rights in, to and under all purchase orders for goods, services or other property; (iii) Mortgagor's rights to any goods, services or other property represented by any of the foregoing; (iv) monies due to become due to the Mortgagor under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services including the right to payment of any interest or finance charges in respect thereto (whether or not yet earned by performance on the part of the Mortgagor); (v) "securities", "investment property," "financial assets," and "securities entitlements" (each as defined in the Code), and (vi) proceeds of any of the foregoing and all collateral security and guaranties of any kind given by any person or entity with respect to any of the foregoing; and all warranties, guarantees, permits and licenses in favor of Mortgagor with respect to the Premises;

**TOGETHER WITH** all refunds, rebates or credits in connection with any reduction in Taxes charged against the Real Estate as a result of tax certiorari proceedings or any other applications or proceedings for reduction of Taxes;

**TOGETHER WITH** all proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds 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.

**TO HAVE AND TO HOLD** the Premises, unto Mortgagee, its successors and assigns, forever, for the purposes and upon the uses herein set forth together with all right to possession of the Premises after the occurrence of any Event of Default; Mortgagee hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Indiana.

**FOR THE PURPOSE OF SECURING:** (i) the payment of the Loan and all interest, late charges, reimbursement obligations, fees and expenses for letters of credit issued by Mortgagee

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for the benefit of Mortgagor, if any, and other indebtedness evidenced by or owing under the Note, any of the other Loan Documents, together with any extensions, modifications, renewals or refinancings of any of the foregoing; (ii) the performance and observance of the covenants, conditions, agreements, representations, warranties and other liabilities and obligations of Mortgagor or any other obligor to or benefiting Mortgagee which are evidenced or secured by or otherwise provided in the Note, this Mortgage, the Loan Agreement, or any of the other Loan Documents; (iii) the reimbursement to Mortgagee of any and all sums incurred, expended or advanced by Mortgagee pursuant to any term or provision of or constituting additional indebtedness under or secured by this Mortgage, any of the other Loan Documents, with interest thereon as provided herein or therein (collectively, "Indebtedness").

## **IT IS FURTHER UNDERSTOOD AND AGREED THAT:**

1. **Title.** Mortgagor represents, warrants and covenants that (a) Mortgagor is the holder of the fee simple title to the Premises, free and clear of all liens and encumbrances, except those liens and encumbrances in favor of Mortgagee and or otherwise consented to in writing by Mortgagee (the "Permitted Exceptions"); and (b) Mortgagor has legal power and authority to mortgage and convey the Premises.

2. **Maintenance, Repair, Restoration, Prior Liens, Parking.** Mortgagor covenants that, so long as any portion of the Indebtedness remains unpaid, Mortgagor will:

a. promptly repair, restore or rebuild any Improvements now or hereafter on the Premises which may become damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, pursuant and subject to the terms of Paragraph 6 hereof;

b. keep the Premises in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien (subject to Mortgagor's right to contest liens as permitted by the terms of Paragraph 27 hereof);

c. pay when due the Indebtedness in accordance with the terms of the Note and the other Loan Documents and duly perform and observe all of the terms, covenants and conditions to be observed and performed by Mortgagor under the Note, this Mortgage and the other Loan Documents;

d. pay when due any indebtedness which may be secured by a permitted lien or charge on the Premises on a parity with, superior to or inferior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to the Mortgagee (subject to Mortgagor's right to contest liens as permitted by the terms of Paragraph 27 hereof);

e. complete within a reasonable time any Improvements now or at any time in the process of erection upon the Premises, provided that the Improvements contemplated in the Plans (as defined in the Loan Agreement) shall be completed pursuant to and in accordance with the terms of the Loan Agreement;

f. comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof;

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g. obtain and maintain in full force and effect, and abide by and satisfy the material terms and conditions of, all material permits, licenses, registrations and other authorizations with or granted by any governmental authorities that may be required from time to time with respect to the performance of its obligations under this Mortgage;

h. make no material alterations in the Premises or demolish any portion of the Premises without Mortgagee's prior written consent, except as required by law or municipal ordinance or as contemplated in the Plans;

i. suffer or permit no change in the use or general nature of the occupancy of the Premises, without the Mortgagee's prior written consent;

j. pay when due all operating costs of the Premises;

k. not initiate or acquiesce in any zoning reclassification with respect to the Premises, without Mortgagee's prior written consent; and

l. cause the Premises at all times to be operated in compliance with all federal, state, local and municipal environmental, health, zoning and safety laws, statutes, ordinances, rules and regulations.

### 3. Payment of Taxes and Assessments.

a. Mortgagor will pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed against Mortgagor, to the extent applicable to the Premises or any interest therein, or the Indebtedness, or any obligation or agreement secured hereby, subject to Mortgagor's right to contest the same, as provided by the terms hereof; and Mortgagor will, upon written request, furnish to the Mortgagee duplicate receipts therefor within thirty (30) days after Mortgagee's request.

b. If, by the laws of the United States of America, or of any state or municipality having jurisdiction over the Mortgagee, Mortgagor or the Premises, any tax is imposed or becomes due in respect of the Note or this Mortgage (excluding income, excise or franchise taxes imposed upon the Mortgagee, except as provided in Section 5(d) below), or any liens on the Premises created thereby, then the Mortgagor shall pay such tax in the manner required by such law.

c. If any law, statute, rule, regulation, order or court decree effects a deduction from the value of the Premises for the purpose of taxation by creating any lien thereon, or imposing upon the Mortgagee any liability for the payment of all or any part of the Taxes required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or deeds of trusts or debts secured by mortgages or deeds of trust or the interest of the Mortgagee in the Premises, or the manner of collection of Taxes so as to adversely affect this Mortgage, the Indebtedness, or the Mortgagee, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such Taxes, or reimburse the Mortgagee therefor on demand, unless the Mortgagee determines, in the Mortgagee's

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sole judgment, that such payment or reimbursement by the Mortgagor is unlawful or that the payment might, in the Mortgagee's judgment, constitute usury or render the Indebtedness wholly or partially usurious; in which event the Mortgagee may elect to declare the Indebtedness to be due and payable within the lesser of (i) thirty (30) days after written notice, or (ii) such shorter period as may be required to ensure compliance by Mortgagee with applicable law.

d. Nothing contained herein shall require the Mortgagor to pay any income, franchise or excise tax imposed upon the Mortgagee, excepting only such income, franchise or excise tax which may be levied against the income of the Mortgagee as a complete or partial substitute for Taxes required to be paid by the Mortgagor hereunder.

4. **Tax and Insurance Deposits.** At Mortgagee's option, Mortgagor shall deposit with Mortgagee, on the first day of each month until the Indebtedness is fully paid, a sum equal to one-twelfth (1/12<sup>th</sup>) of 105% of the most recent ascertainable annual Taxes on the Premises and one-twelfth (1/12<sup>th</sup>) of 105% of the most recent ascertainable insurance premiums for the Premises. If requested by Mortgagee, Mortgagor shall also deposit with Mortgagee an amount of money which, together with the aggregate of the monthly deposits to be made pursuant to the preceding sentence as of one month prior to the date on which the next installment of annual Taxes for the current calendar year become due, shall be sufficient to pay in full such installment of annual Taxes, as estimated, in good faith, by Mortgagee. Such deposits are to be held without any allowance of interest. Prior to acceleration of the Loan pursuant to an Event of Default, Mortgagee shall pay such Taxes and insurance from such deposits when the same become due and payable (upon submission of appropriate bills therefor from Mortgagor) or shall release sufficient funds to Mortgagor for the payment thereof. If the funds so deposited are insufficient to pay any such Taxes or insurance for any year (or installments thereof, as applicable) when the same shall become due and payable, Mortgagor shall, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes and insurance in full. If the funds so deposited exceed the amount required to pay such Taxes and insurance for any year, the excess shall be applied toward subsequent deposits. Said deposits need not be kept separate and apart from any other funds of Mortgagee. Mortgagee, in making any payment hereby authorized relating to Taxes and insurance, may do so according to any bill, statement or estimate procured from the appropriate public office or insurer without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

5. **Mortgagee's Interest In and Use of Deposits.** Upon acceleration of the Loan pursuant to an Event of Default, Mortgagee may, at its option, apply any monies at the time on deposit pursuant to Paragraph 4 hereof to cure an Event of Default or to pay any of the Indebtedness in such order and manner as Mortgagee may elect. If such deposits are used to cure an Event of Default or pay any of the Indebtedness, Mortgagor shall immediately, upon demand by Mortgagee, deposit with Mortgagee an amount equal to the amount expended by Mortgagor from the deposits. When the Indebtedness has been fully paid, any remaining deposits shall be returned to Mortgagor. Such deposits are hereby pledged as additional security for the Indebtedness and shall not be subject to the direction or control of Mortgagor. Mortgagee shall not be liable for any failure to apply to the payment of Taxes any amount so deposited unless Mortgagor, prior to acceleration pursuant to an Event of Default, shall have requested Mortgagee in writing to make application of such funds to the payment of such amounts, accompanied by the bills for such Taxes. Mortgagee

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shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

## 6. Insurance.

a. Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property now or hereafter situated on the Premises insured against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee, in accordance with the terms, coverages and provisions described in Exhibit C attached hereto (collectively the "Insurance"). The policies of Insurance to be obtained and maintained by Mortgagor under the provisions of this Mortgage shall be issued by responsible insurance carriers with a Best's rating of no less than A/VII, licensed to do business in the State of Indiana, who are acceptable to Mortgagee and shall be in such form and with such endorsements (including a mortgagee clause in favor of Mortgagee), waivers and deductibles (in no event to exceed \$5,000.00) as Mortgagee shall designate or approve. Unless Mortgagor provides Mortgagee evidence of the Insurance coverages required hereunder, after five (5) business days' written notice to Mortgagor by Mortgagee, Mortgagee may purchase insurance at Mortgagor's expense to cover Mortgagee's interest in the Premises. The insurance may, but need not, protect Mortgagor's interest. The coverages that Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Premises. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Mortgagee purchases insurance for the Premises, Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Indebtedness. The cost of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own. All policies shall contain: (1) the agreement of the insurer to give Mortgagee at least 30 days' written notice prior to cancellation or expiration of or change in such policies, or any of them; (2) a waiver of subrogation rights against Mortgagee and, if available Mortgagor; (3) an agreement that such policies are primary and non-contributing with any insurance that may be carried by Mortgagee; (4) a statement that the insurance shall not be invalidated should any insured waive in writing prior to a loss any or all right of recovery against any party for loss accruing to the property described in the insurance policy; and (5) if obtainable, a provision that no act or omission of Mortgagor shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained. As of the date hereof, and subject to any changes in such requirements which Mortgagee may, in its discretion, make from time to time pursuant to its rights under this Paragraph 6, each policy of property Insurance hereunder shall contain a mortgagee's loss payable endorsement, mortgagee clause, or other non-contributory mortgagee clause of similar form and substance acceptable to Mortgagee in favor of Mortgagee as a mortgagee.

b. Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon as the loss payee or an additional insured as applicable,

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under a standard mortgage clause acceptable to Mortgagee and such separate insurance is otherwise acceptable to Mortgagee.

c. In the event of loss, Mortgagor shall give prompt notice thereof to Mortgagee, who shall have the sole and absolute right to make proof of loss. Mortgagee shall have the right, at its option and in its sole discretion, to apply any Insurance proceeds received by Mortgagee pursuant to the terms of the Loan Agreement. If Mortgagee agrees to permit the application of such proceeds to the restoration or repair of the damaged property, subject to the provisions of subparagraph d below, the following must be satisfied (i) no Leases are terminated, (ii) Mortgagee has received satisfactory evidence that such restoration or repair shall be completed no later than a date determined by Lender in Lender' sole discretion, and (iii) no Event of Default, or event that with the passage of time, the giving of notice or both would constitute an Event of Default, then exists. If Insurance proceeds are made available to Mortgagee by Mortgagee as hereinafter provided, Mortgagor shall repair, restore or rebuild the damaged or destroyed portion of the Premises so that the condition and value of the Premises are substantially the same as the condition and value of the Premises prior to being damaged or destroyed. No interest shall be payable to Mortgagor upon any Insurance proceeds held by Mortgagee. In the event of foreclosure of this Mortgage, all right, title and interest of Mortgagor in and to any Insurance policies (other than blanket policies covering Mortgagor and its affiliates) then in force shall pass to the purchaser at the foreclosure sale.

d. If Insurance proceeds are made available by Mortgagee to Mortgagor, Mortgagor shall comply with the following conditions:

i. Before commencing to repair, restore or rebuild following damage to, or destruction of, all or a portion of the Premises, whether by fire or other casualty, Mortgagor shall obtain from Mortgagee its approval of all site and building plans and specifications pertaining to such repair, restoration or rebuilding.

ii. Prior to each payment or application of any Insurance proceeds to the repair or restoration of the improvements upon the Premises to the extent permitted in subparagraph c above (which payment or application may be made, at Mortgagee's option, through an escrow, the terms and conditions of which are satisfactory to Mortgagee and the cost of which is to be borne by Mortgagor), Mortgagee shall be satisfied as to the following:

(a) no Event of Default or any event which, with the passage of time or giving of notice would constitute an Event of Default, exists;

(b) either such Improvements have been fully restored, or the expenditure of money as may be received from such insurance proceeds will be sufficient to repair, restore or rebuild the Premises, free and clear of all liens, claims and encumbrances, except the lien of this Mortgage and the Permitted Exceptions, or, if such Insurance proceeds shall be insufficient to repair, restore and rebuild the Premises, Mortgagor has deposited with

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Mortgagee such amount of money which, together with the Insurance proceeds shall be sufficient to restore, repair and rebuild the Premises; and

(c) prior to each disbursement of any such proceeds, Mortgagee shall be furnished with a statement of Mortgagee's architect (the cost of which shall be borne by Mortgagor), certifying the extent of the repair and restoration completed to the date thereof, and that such repairs, restoration, and rebuilding have been performed to date in conformity with the plans and specifications approved by Mortgagee and with all statutes, regulations or ordinances (including building and zoning ordinances) affecting the Premises; and Mortgagee shall be furnished with appropriate evidence of payment for labor or materials furnished to the Premises, and total or partial lien waivers substantiating such payments.

iii. If Mortgagor shall fail to restore, repair or rebuild the Improvements within a time deemed reasonably satisfactory by Mortgagee, then Mortgagee, at its option, may (a) commence and perform all necessary acts to restore, repair or rebuild the said Improvements for or on behalf of Mortgagor, or (b) declare an Event of Default. If Insurance proceeds shall exceed the amount necessary to complete the repair, restoration or rebuilding of the Improvements, such excess shall be applied on account of the Indebtedness irrespective of whether such Indebtedness is then due and payable without payment of any premium or penalty.

iv. Mortgagor, for itself, and on behalf of its insurers, hereby releases and waives any right to recover against Mortgagee on any liability for: damages for injury to or death of persons; any loss or damage to property, including the property of any occupant of the Premises; any loss or damage to buildings or other improvements comprising the Premises; any other direct or indirect loss or damage caused by fire or other risks, which loss or damage is or would be covered by the insurance required to be carried hereunder by Mortgagor, or is otherwise insured; or claims arising by reason of any of the foregoing, except to the extent caused solely by the gross negligence or willful misconduct of Mortgagee.

v. Mortgagee shall not, by reason of accepting, rejecting, obtaining or failing to obtain insurance, incur any liability for (i) the existence, non-existence, form, amount or legal sufficiency thereof, (ii) the solvency or insolvency of any insurer, or (iii) the payment of losses. In the event of foreclosure on, or other transfer of title in lieu of foreclosure of, the Premises, all of Mortgagor's interest in and to any and all Insurance policies in force shall pass to Mortgagee, or the transferee or purchaser as the case may be, and Mortgagee is hereby irrevocably authorized to assign in Mortgagor's name to such purchaser or transferee all such policies, which may be amended or rewritten to show the interest of such purchaser or transferee.

vi. Approval by Mortgagee of any policies of Insurance shall not be deemed a representation by the Mortgagee as to the adequacy of coverage of such policies or the solvency of the insurer.



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7. **Condemnation.** If all or any part of the Premises are damaged, taken or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the remaining unpaid Indebtedness, is hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Mortgagor and the same shall be paid forthwith to Mortgagee. No interest shall be payable to Mortgagor upon such award or other payment held by Mortgagee. Such award or monies shall be applied on account of the Indebtedness, irrespective of whether such Indebtedness is then due and payable and, at any time from and after the taking Mortgagee may declare the whole of the balance of the Indebtedness to be due and payable. Notwithstanding the provisions of this paragraph to the contrary, if any condemnation or taking of less than the entire Premises occurs and provided that no Event of Default and no event or circumstance which with the passage of time, the giving of notice or both would constitute an Event of Default then exists, and if such partial condemnation, in the reasonable discretion of Mortgagee, has no material adverse effect on the operation or value of the Premises, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by Mortgagor, and Mortgagee hereby agrees that in such event it shall not declare the Indebtedness to be due and payable, if it is not otherwise then due and payable.

8. **Stamp Tax.** If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage, the Note or any of the other Loan Documents, Mortgagee shall pay such tax in the manner required by any such law. Mortgagor further agrees to reimburse Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any such tax. Notwithstanding the foregoing, Mortgagee shall not be required to pay any income or franchise taxes of Mortgagee.

9. **Lease Assignment.** Mortgagor acknowledges that, concurrently herewith, Mortgagor has executed and delivered to Mortgagee, as additional security for the repayment of the Loan, an Assignment of Leases and Rents ("Assignment") pursuant to which Mortgagor has assigned to Mortgagee interests in the lease and the income from the tenants occupying the Premises. All of the provisions of the Assignment are hereby incorporated herein as if fully set forth at length in the text of this Mortgage. Mortgagor agrees to abide by all of the provisions of the Assignment.

10. **Effect of Extensions of Time and Other Changes.** If the payment of the Indebtedness or any part thereof is extended or varied, if any part of any security for the payment of the Indebtedness is released, if the rate of interest charged under the Note is changed or if the time for payment thereof is extended or varied, all persons now or at any time hereafter liable therefor, or interested in the Premises or having an interest in Mortgagor, shall be held to assent to such extension, variation, release or change and their liability and the lien and all of the provisions hereof shall continue in full force, any right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation, release or change.

11. **Effect of Changes in Laws Regarding Taxation.** If any law is enacted after the date hereof requiring (a) the deduction of any lien on the Premises from the value thereof for the purpose of taxation or (b) the imposition upon Mortgagee of the payment of the whole or any part of the Taxes, charges or liens herein required to be paid by Mortgagor, or (c) a change in the

method of taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the Indebtedness or the holders thereof, then Mortgagor, upon demand by Mortgagee, shall pay such Taxes or charges, or reimburse Mortgagee therefor; provided, however, that Mortgagor shall not be deemed to be required to pay any income or franchise taxes of Mortgagee. Notwithstanding the foregoing, if in the opinion of counsel for Mortgagee it is or may be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Mortgagee may declare all of the Indebtedness to be immediately due and payable upon thirty (30) days prior written notice to Borrower.

**12. Mortgagee's Performance of Defaulted Acts and Expenses Incurred by Mortgagee.** If an Event of Default exists, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of Mortgagor in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraph 8 above or to protect the Premises or the lien hereof, shall be so much additional Indebtedness, and shall become immediately due and payable by Mortgagor to Mortgagee, upon demand, and with interest thereon accruing from the date of such demand until paid at the Default Rate (as defined in the Note) then in effect. In addition to the foregoing, any reasonable costs, expenses and fees, including reasonable attorneys' fees, incurred by Mortgagee in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting or enforcing any of Mortgagee's rights hereunder, (c) recovering any Indebtedness, (d) any litigation or proceedings affecting the Note, this Mortgage, any of the other Loan Documents or the Premises, including without limitation, bankruptcy and probate proceedings, or (e) preparing for the commencement, defense or participation in any threatened litigation or proceedings affecting the Note, this Mortgage, any of the other Loan Documents or the Premises, shall be so much additional Indebtedness, and shall become immediately due and payable by Mortgagor to Mortgagee, upon demand, and with interest thereon accruing from the date of such demand until paid at the Default Rate. The interest accruing under this Paragraph 12 shall be immediately due and payable by Mortgagor to Mortgagee, and shall be additional Indebtedness evidenced by the Note and secured by this Mortgage. Mortgagee's failure to act shall never be considered as a waiver of any right accruing to Mortgagee on account of any Event of Default. Should any amount paid out or advanced by Mortgagee hereunder, or pursuant to any agreement executed by Mortgagor in connection with the Loan, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Premises or any part thereof, then Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

**13. Security Agreement.** Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (a) all sums at any time on deposit for the benefit of Mortgagor or held by the Mortgagee (whether deposited by or

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on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage or the other Loan Documents, and (b) with respect to any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Premises or may not constitute a "fixture" (within the meaning of Section 9.1-102(41) of the Code) (which property is hereinafter referred to as "Personal Property"), and all replacements of, substitutions for, additions to, and the proceeds thereof, and the "supporting obligations" (as defined in the Code) (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Mortgagee, and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee, all to secure payment of the Indebtedness. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

a. Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral and has rights in and the power to transfer the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefiting Mortgagee and no other party, and liens and encumbrances, if any, expressly permitted by the other Loan Documents.

b. The Collateral is to be used by Mortgagor solely for business purposes.

c. The tangible Collateral will be kept at the Real Estate and, except for Obsolete Collateral (as hereinafter defined), will not be removed therefrom without the written consent of Mortgagee (being the Secured Party as that term is used in the Code) which shall not be unreasonably withheld or delayed. Such Collateral may be affixed to the Real Estate but will not be affixed to any other real estate.

d. The only persons having any interest in the Premises are Mortgagor, Mortgagee and holders of interests, if any, expressly permitted hereby.

e. No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor, at its own cost and expense, upon demand, will furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no other liens or encumbrances, other than liens or encumbrances benefiting Mortgagee and no other party and liens and encumbrances (if any) expressly permitted hereby; 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 Mortgagee to be desirable. Mortgagor hereby irrevocably authorizes Mortgagee at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto

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that (i) indicate the Collateral as all assets of Mortgagor (or words of similar effect), regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9.1 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or as being of an equal or lesser scope or within greater detail, and (ii) contain any other information required by Section 5 of Article 9.1 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including whether Mortgagor is an organization, the type of organization and any organization identification number issued to Mortgagor, and in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Mortgagor agrees to furnish any such information to Mortgagee promptly upon request. Mortgagor further ratifies and affirms its authorization for any financing statements and/or amendments thereto, executed and filed by Mortgagee in any jurisdiction prior to the date of this Mortgage.

f. Upon an Event of Default hereunder, Mortgagee shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as Mortgagor can give authority therefor, with or without judicial process, may enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Upon an Event of Default hereunder, Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Premises. Upon an Event of Default hereunder, Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. In such case, Mortgagee will give Mortgagor at least ten (10) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale if the 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 Mortgagee so elects, the Premises and the 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 attorneys' fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

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g. The terms and provisions contained in this Paragraph 13, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

h. This Mortgage is intended to be a financing statement within the purview of Section 9.1-502(b) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinbelow set forth. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or counties where the Premises are located.

i. To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between Mortgagor or its agents as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Mortgagor, as lessor thereunder.

j. Mortgagor represents and warrants that:

- i. Mortgagor is the record owner of the Premises;
- ii. Mortgagor's chief executive office is located in the State of Indiana;
- iii. Mortgagor's state of formation is the State of Indiana;
- iv. Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage; and
- v. Mortgagor's state identification number is 201808241274915.

k. Mortgagor agrees that:

- i. Where Collateral is in possession of a third party, Mortgagor will join with the Mortgagee in notifying the third party of the Mortgagee's interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Mortgagee;
- ii. Mortgagor will cooperate with the Mortgagee in obtaining control with respect to Collateral consisting of: deposit accounts, investment property, letter of credit rights and electronic chattel paper; and
- iii. Until the Indebtedness is paid in full, Mortgagor will not change the state where it is located or change its company name without giving the Mortgagee at least 30 days' prior written notice in each instance.

#### **14. Restrictions on Transfer.**

a. Mortgagor, without the prior written consent of Mortgagee, shall not effect, suffer or permit any Prohibited Transfer (as defined herein). Any conveyance, sale,

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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 shall constitute a "Prohibited Transfer" except as permitted in the Loan Agreement:

- i. The Premises or any part thereof or interest therein, excepting only sales of lots or sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral of at least equal value and utility which is subject to the lien hereof with the same priority as with respect to the Obsolete Collateral;
- ii. All or any part of the member interest, as the case may be, of a limited liability company Mortgagor or a limited liability company which is a member of a limited liability company Mortgagor or the conversion of a limited liability company Mortgagor to a corporation; or
- iii. If there shall be any change in control (by way of transfers of stock, partnership or member interests or otherwise) in any member or manager of Mortgagor which directly or indirectly controls the day to day operations and management of Mortgagor and owns a controlling interest in Mortgagor;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly (including the nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Paragraph 14 shall not apply (i) to liens securing the Indebtedness, (ii) to the lien of current taxes and assessments not in default, (iii) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives, or (iv) to leases permitted by the terms of the Loan Documents, if any.

b. In determining whether or not to make the Loan, Mortgagee evaluated the background and experience of Mortgagor and its partners/members/officers in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's security for the Note. Mortgagor and its partners/members/officers are well experienced in borrowing money and owning and operating property such as the Premises, were ably represented by a licensed attorney at law in the negotiation and documentation of the Loan and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary junior financing placed upon the Premises (a) may

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divert funds which would otherwise be used to pay the Note; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and (d) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises. In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and collect assumption fees; and (iv) keeping the Premises free of subordinate financing liens, Mortgagor agree that if this Paragraph 14 is deemed a restraint on alienation, that it is a reasonable one.

15. **Single Asset Entity.** Except as permitted by the Loan Agreement, Mortgagor shall not hold or acquire, directly or indirectly, any ownership interest (legal or equitable) in any real or personal property other than the Premises, or become a shareholder of or a member or partner in any entity which acquires any property other than the Premises, until such time as the Indebtedness has been fully repaid. Mortgagor's articles of incorporation, partnership agreement or operating agreement, as applicable, shall limit its purpose to the acquisition, operation, management and disposition of the Premises, and such purposes shall not be amended without the prior written consent of Mortgagee. Mortgagor covenants:

a. To maintain its assets, accounts, books, records, financial statements, stationery, invoices, and checks separate from and not commingled with any of those of any other person or entity;

b. To conduct its own business in its own name, pay its own liabilities out of its own funds, allocate fairly and reasonably any overhead for shared employees and office space, and to maintain an arm's length relationship with its affiliates;

c. To hold itself out as a separate entity, correct any known misunderstanding regarding its separate identity, maintain adequate capital in light of its contemplated business operations, and observe all organizational formalities;

d. Not to guarantee or become obligated for the debts of any other entity or person or hold out its credits as being available to satisfy the obligations of others, including not acquiring obligations or securities of its partners, members or shareholders;

e. Not to pledge its assets for the benefit of any other entity or person or make any loans or advances to any person or entity;

f. Not to enter into any contract or agreement with any party which is directly or indirectly controlling, controlled by or under common control with Mortgagor (an "Affiliate"), except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any Affiliate;

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g. Neither Mortgagor nor any constituent party of Mortgagor will seek the dissolution or winding up, in whole or in part, of Mortgagor, nor will Mortgagor merge with or be consolidated into any other entity;

h. Mortgagor has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any constituent party of Mortgagor, Affiliate, any guarantor of the Note or any other person;

i. Except as permitted by the Loan Agreement, Mortgagor now has, and will hereafter have, no debts or obligations other than normal accounts payable in the ordinary course of business, this Mortgage, and the Loan; and any other indebtedness or other obligation of Mortgagor has been paid in full prior to or through application of proceeds from the funding of the Loan.

16. **Events of Default; Acceleration.** Each of the following shall constitute an “**Event of Default**” for purposes of this Mortgage:

a. Mortgagor fails to pay any amount payable to Mortgagee under the Note, this Mortgage or any of the other Loan Documents, subject, however, to any applicable notice and cure periods contained in the Loan Documents;

b. Mortgagor fails to perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Mortgagor under the Note, this Mortgage or any of the other Loan Documents within thirty (30) days after notice from Mortgagee to Mortgagor; provided, however, if the cure requires more than thirty (30) days, and Mortgagor as soon as practicable initiates commercially reasonable steps to cure the default and thereafter continues and completes the steps that are reasonably necessary to produce compliance as soon as reasonably practical, but in no event longer than sixty (60) days;

c. the occurrence of a Prohibited Transfer; or

d. the occurrence of an “**Event of Default**” under the Note, the Loan Agreement or any of the other Loan Documents.

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the Indebtedness to be immediately due and payable without further notice to Mortgagor, with interest thereon accruing from the date of such Event of Default until paid at the Default Rate.

17. **Foreclosure; Expense of Litigation.**

a. Upon the existence of an Event of Default, Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof and/or exercise any right, power or remedy provided in this Mortgage or any of the other Loan Documents in accordance with all Indiana foreclosure laws (as may be amended from time to time, the “**Act**”). In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies (other than blanket policies covering Borrower and its affiliates) to the purchaser at such sale or to take such other steps



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as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of such insurance policies.

b. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and 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 assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature mentioned in this paragraph and such other expenses and fees as may be incurred in the enforcement of Mortgagor's obligations hereunder, the protection of said Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note, or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon until paid at the Default Rate and shall be secured by this Mortgage.

18. **Application of Proceeds of Foreclosure Sale.** The proceeds of any foreclosure sale of the Premises shall be distributed and applied in accordance with the Act and, unless otherwise specified therein, in such order as Mortgagee may determine in its sole and absolute discretion.

19. **Appointment of Receiver.** Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall, upon petition by Mortgagee, appoint a receiver for the Premises in accordance with the Act. Mortgagor hereby consents to the appointment of a receiver. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the value of the Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any other holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises (i) during the pendency of such foreclosure suit, (ii) in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, and (iii) during any further times when Mortgagor, but for the intervention of such receiver, would be entitled to collect such rents, issues and profits. Such receiver also shall have all other powers and rights that may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during said period, including, to the extent permitted by law, the right to lease all or any portion of the Premises for a term that extends beyond the time of such receiver's possession without obtaining prior court approval of such lease. The court from time to time may authorize the application of the net income received by the receiver in payment of (a) the Indebtedness, or by any decree foreclosing this Mortgage, 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 foreclosure sale, and (b) any deficiency upon a sale and deficiency.

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20. **Mortgagee's Right of Possession in Case of Default.** At any time while an Event of Default exists, Mortgagor shall, upon demand of Mortgagee, surrender to Mortgagee possession of the Premises. Mortgagee, in its discretion, may, with process of law, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers and accounts relating thereto, and may exclude Mortgagor and its employees, agents or servants therefrom, and Mortgagee may then hold, operate, manage and control the Premises, either personally or by its agents. Mortgagee shall have full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent. Without limiting the generality of the foregoing, Mortgagee shall have full power to:

- a. cancel or terminate any lease, sublease or purchase agreement for any cause or on any ground which would entitle Mortgagor to cancel the same;
- b. elect to disaffirm any lease, sublease or purchase agreement which is then subordinate to the lien hereof;
- c. extend or modify any then existing leases and to enter into new leases, which extensions, modifications and leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date 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 such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser;
- d. make any repairs, renewals, replacements, alterations, additions, betterments and improvements to the Premises as Mortgagee deems are necessary;
- e. insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation and management thereof; and
- f. receive all of such avails, rents, issues and profits.

21. **Application of Income Received by Mortgagee.** Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

- a. to the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

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b. to the payment of taxes and special assessments now due or which may hereafter become due on the Premises; and

c. to the payment of any Indebtedness, including any deficiency which may result from any foreclosure sale.

22. **Rights Cumulative.** Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing under any of the Loan Documents or at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Event of Default or acquiescence therein.

23. **Mortgagee's Right of Inspection.** Mortgagee and its representatives shall have the right to inspect the Premises and the books and records with respect thereto at all reasonable times upon not less than twenty-four (24) hours prior notice to Mortgagor, and access thereto, subject to the rights of tenants in possession, shall be permitted for that purpose.

24. **Release Upon Payment and Discharge of Mortgagor's Obligations.** Mortgagee shall release this Mortgage and the lien hereof by proper instrument upon payment and discharge of all Indebtedness, including payment of all reasonable expenses incurred by Mortgagee in connection with the execution of such release.

25. **Notices.** Any notices, communications and waivers under this Mortgage shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To Mortgagee:           Presidential Bank, FSB  
4600 East-West Highway, Suite 400  
Bethesda, Maryland 20814  
Attention: Commercial Lending

To Mortgagor:           Patriots Village LLC  
213 Honeysuckle Way  
Niceville, Florida 32578  
Attn: Blake Ratajack

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Paragraph shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if

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sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

**26. Jurisdiction and Venue.** MORTGAGOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY MORTGAGOR AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS MORTGAGE SHALL BE LITIGATED IN THE SUPERIOR OR CIRCUIT COURT OF LAKE COUNTY, INDIANA. ASSIGNOR HEREBY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED BY MORTGAGEE IN SUCH COURT. MORTGAGOR WAIVES ANY CLAIM THAT LAKE COUNTY, INDIANA IS AN INCONVENIENT FORUM OR AN IMPROPER FORUM BASED ON LACK OF VENUE.

**27. Contests.** Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any Taxes imposed or assessed upon the Premises or which may be or become a lien thereon and any mechanics', materialmen's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Liens shall constitute an Event of Default hereunder, if, but only if:

a. Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee at the time the same shall be asserted;

b. Mortgagor shall either pay under protest or deposit with Mortgagee the full amount (herein called "Lien Amount") of such Contested Lien, together with such amount as Mortgagee may reasonably estimate as interest or penalties which might arise during the period of contest; provided that in lieu of such payment Mortgagor may furnish to Mortgagee a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to Mortgagee;

c. Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit Mortgagee to be represented in any such contest and shall pay all reasonable expenses incurred, in so doing, including reasonable fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand);

d. Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee if, in the opinion of Mortgagee, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply monies deposited as provided in

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subsection (b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

## 28. Expenses Relating to Note and Mortgage.

a. In accordance with the Loan Agreement, Mortgagor will pay all reasonable expenses, charges, costs and fees relating to the Loan or necessitated by the terms of the Note, this Mortgage or any of the other Loan Documents, including without limitation, Mortgagee's reasonable attorneys' fees in connection with the negotiation, documentation, administration, servicing and enforcement of the Note, this Mortgage and the other Loan Documents, all filing, registration and recording fees, all other expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes, and other taxes (provided Mortgagee shall not be required to pay any income or franchise taxes of Mortgagee), duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note and this Mortgage. Mortgagor recognizes that, during the term of this Mortgage, Mortgagee:

- i. May be involved in court or administrative proceedings, including, without restricting the foregoing, foreclosure, probate, bankruptcy, creditors' arrangements, insolvency, housing authority and pollution control proceedings of any kind, to which Mortgagee shall be a party by reason of the Loan Documents or in which the Loan Documents or the Premises are involved directly or indirectly;
  - ii. May make preparations following the occurrence of an Event of Default hereunder for the commencement of any suit for the foreclosure hereof, which may or may not be actually commenced;
  - iii. May make preparations following the occurrence of an Event of Default hereunder for, and do work in connection with, Mortgagee's taking possession of and managing the Premises, which event may or may not actually occur;
  - iv. May make preparations for and commence other private or public actions to remedy an Event of Default hereunder, which other actions may or may not be actually commenced;
  - v. May enter into negotiations with Mortgagor or any of its agents, employees or attorneys in connection with the existence or curing of any Event of Default hereunder, the sale of the Premises, the assumption of liability for any of the Indebtedness or the transfer of the Premises in lieu of foreclosure; or
  - vi. May enter into negotiations with Mortgagor or any of its agents, employees or attorneys pertaining to Mortgagee's approval of actions taken or proposed to be taken by Mortgagor which approval is required by the terms of this Mortgage.
- b. All reasonable expenses, charges, costs and fees described in this Paragraph 28 shall be so much additional Indebtedness, shall bear interest from the date so incurred until

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paid at the Default Rate and shall be paid, together with said interest, by Mortgagor forthwith upon demand.

29. **Financial Statements.** Mortgagor represents and warrants that the financial statements for Mortgagor and the Premises previously submitted to Mortgagee, if any, are true, complete and correct in all material respects, disclose all actual and contingent liabilities of Mortgagor or relating to the Premises and do not contain any untrue statement of a material fact or omit to state a fact material to such financial statements. No material adverse change has occurred in the financial condition of Mortgagor or the Premises from the dates of said financial statements, if any, until the date hereof. Mortgagor shall furnish to Mortgagee such financial information regarding Mortgagor, its constituent partners or members, as the case may be, the Premises and any guarantor of the Note as Mortgagee may from time to time reasonably request and as provided in the Loan Agreement.

30. **Statement of Indebtedness.** *Intentionally omitted.*

31. **Further Instruments.** Upon request of Mortgagee, Mortgagor shall execute, acknowledge and deliver all such additional instruments and further assurances of title and shall do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the transactions contemplated herein and in the other Loan Documents.

32. **Additional Indebtedness Secured.** All persons and entities with any interest in the Premises or about to acquire any such interest should be aware that this Mortgage secures more than the stated principal amount of the Note and interest thereon; this Mortgage secures any and all other amounts which may become due under the Note or any other document or instrument evidencing, securing or otherwise affecting the Indebtedness, including, without limitation, any and all amounts expended by Mortgagee to operate, manage or maintain the Premises or to otherwise protect the Premises or the lien of this Mortgage.

33. **Indemnity.** Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers granted to Mortgagee in this Mortgage, and Mortgagor hereby expressly waives and releases any such liability. Mortgagor shall indemnify and save Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including reasonable attorneys' fees and court costs) (collectively, "Claims") of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: (a) any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; (b) the offer for sale or sale of all or any portion of the Premises; and (c) the ownership, leasing, use, operation or maintenance of the Premises, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Premises to Mortgagee in accordance with the terms of this Mortgage; provided, however, that Mortgagor shall not be obligated to indemnify or hold Mortgagee harmless from and against any Claims directly arising from the gross negligence or willful misconduct of Mortgagee. All costs provided for herein and paid for by Mortgagee shall be so much additional Indebtedness and shall become immediately due and payable upon demand

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by Mortgagee and with interest thereon from the date incurred by Mortgagee until paid at the Default Rate.

34. **Compliance with Environmental Laws.** Mortgagor acknowledges that concurrently herewith Mortgagor has executed and delivered to Mortgagee an Environmental Indemnity Agreement (the "Indemnity") pursuant to which Mortgagor and Guarantor has fully indemnified Mortgagee for certain environmental matters concerning the Premises, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage shall secure the obligations of Mortgagor thereunder. Mortgagor agrees to abide by all of the provisions of the Indemnity.

35. **Miscellaneous.**

a. **Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon and enforceable against Mortgagor and its assigns and other successors. This Mortgage and all provisions hereof shall inure to the benefit of Mortgagee, its successors and assigns and any holder or holders, from time to time, of the Note.

b. **Invalidity of Provisions; Governing Law.** In the event that any provision of this Mortgage is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Mortgagor and Mortgagee shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Mortgage and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect. This Mortgage is to be construed in accordance with and governed by the laws of the State of Indiana.

c. **Municipal Requirements.** Mortgagor shall not by act or omission permit any building or other improvement on premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, other than off-site improvements benefiting the Premises, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

d. **Rights of Tenants.** Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a decree of foreclosure and sale subject to the rights of any tenant or tenants of the Premises having an interest in the Premises prior to that of Mortgagee. The failure to join any such tenant or tenants of the Premises as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

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e. **Option of Mortgagee to Subordinate.** At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Premises upon the execution by Mortgagee of a unilateral declaration to that effect and the recording thereof in the Office of the County Recorder in and for the county wherein the Premises are situated.

f. **Mortgagee in Possession.** Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by Mortgagee pursuant to this Mortgage.

g. **Relationship of Mortgagee and Mortgagor.** Mortgagee shall in no event be construed for any purpose to be a partner, joint venturer, agent or associate of Mortgagor or of any lessee, operator, concessionaire or licensee of Mortgagor in the conduct of their respective businesses, and, without limiting the foregoing, Mortgagee shall not be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, any of the other Loan Documents, or otherwise. The relationship of Mortgagor and Mortgagee hereunder is solely that of debtor/creditor.

h. **Time of the Essence.** Time is of the essence of the payment by Mortgagor of all amounts due and owing to Mortgagee under the Note and the other Loan Documents and the performance and observance by Mortgagor of all terms, conditions, obligations and agreements contained in this Mortgage and the other Loan Documents.

i. **No Merger.** The parties hereto intend that the Mortgage and the lien hereof shall not merge in fee simple title to the Premises, and if Mortgagee acquires any additional or other interest in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title and this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

j. **Future Advances; Deficiency Judgment.** In addition to any of the Obligations secured by this Mortgage, this Mortgage shall also secure (i) future obligations and advances up to \$2,000,000.00 (whether made as an obligation, made at the option of the Lender, made after a reduction to a zero (0) or other balance, or made otherwise) to the same extent as if the future obligations and advances were made on the date of execution of this Mortgage and (ii) future modifications, extensions and renewals of any indebtedness or obligations secured by this Mortgage. Pursuant to IC 32-29-1-10, the lien of this Mortgage with respect to any future advances, modification, extensions and renewals referred to herein shall have the same priority to which this Mortgage otherwise would be entitled as of the date this Mortgage is executed and recorded without regard to the fact that such future obligation, advance, modification, extension, or renewal may occur after this Mortgage is executed. Anything contained herein or in IC 32-29-7-5 to the contrary notwithstanding, no waiver made by the Borrower in this Mortgage, or in any of the other terms and provisions of the other Loan Documents, shall constitute the consideration for



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or be deemed to be a waiver or release by Lender of the right to seek a deficiency judgment against the Borrower, or any other person or entity who may be personally liable for the obligations, which right to seek a deficiency judgment is hereby reserved, preserved and retained by the Lender for its own behalf and its successors and assigns.

k. **Complete Agreement.** This Mortgage, the Note and the other Loan Documents constitute the complete agreement between the parties with respect to the subject matter hereof and the Loan Documents may not be modified, altered or amended except by an agreement in writing signed by both Mortgagor and Mortgagee.

l. *Intentionally deleted.*

m. **Waiver of Jury Trial.** MORTGAGOR AND MORTGAGEE ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS OR WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND THEREFORE, THE PARTIES VOLUNTARILY, KNOWINGLY AND INTENTIONALLY AGREE THAT ANY COURT PROCEEDING ARISING OUT OF ANY SUCH CONTROVERSY WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

n. **OFAC Covenant.** Mortgagor shall ensure, and cause each of its subsidiaries to ensure, that (i) no person who owns twenty percent (20.00%) or more of the equity interests in the Mortgagor, or otherwise controls the Mortgagor or any of its subsidiaries is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the OFAC, the Department of the Treasury or included in any Executive Orders, (ii) the proceeds of the Loan do not violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (iii) it shall comply, and cause each of its subsidiaries to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

o. **Waiver of Consequential Damages.** The Mortgagor covenants and agrees that in no event shall the Mortgagee be liable for consequential damages, whatever the nature of a failure by the Mortgagee to perform its obligation(s), if any, under the Loan Documents, and the Mortgagor hereby expressly waives all claims that it now or may hereafter have against the Mortgagee for such consequential damages.

p. **After Acquired Mortgaged Property.** The lien hereof will automatically attach, without further act, to all after-acquired Mortgaged Property attached to and/or used in connection with or in the operation of the Mortgaged Property or any part thereof.

*[SIGNATURE PAGE BEGINS ON FOLLOWING PAGE]*

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## SIGNATURE PAGE 1 OF 2 TO MORTGAGE

IN WITNESS WHEREOF, Mortgagor has executed Mortgage the day and year set forth below, to be effective the day and year first above written.

Patriots Village, LLC, an Indiana limited liability company  
By: Hillcrest Estates MHP LLC,  
an Indiana limited liability company,  
its Sole Member

By: Orion Cobra LLC, a Florida limited liability company, its Manager

By: [Signature]  
Name: Elliot Blake Ratajack  
Title: Authorized Member

STATE OF Florida  
COUNTY OF Santa Rosa SS:

Before me, a Notary Public in and for said County and State, personally appeared Elliot Blake Ratajack, who acknowledged himself to be the Authorized Member of Orion Cobra LLC, a Florida limited liability company, which is the Manager of Hillcrest Estates MHP LLC, an Indiana limited liability company, which is the Sole Member of Patriots Village, LLC, an Indiana limited liability company, who acknowledged the execution of the above and foregoing instrument for and on behalf of said limited liability company in its capacity as Manager of Hillcrest Estates MHP LLC, which is the Sole Member of Patriots Village, LLC.

Dated this 26 day of February, 2022.

My Commission Expires: 6-15-2024  
County of Residence: Santa Rosa  
[Signature]  
Ritsken T. Hauck, Notary Public

[SIGNATURE PAGE CONCLUDES ON FOLLOWING PAGE]





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## EXHIBIT A LEGAL DESCRIPTION OF PREMISES

For APN/Parcel ID(s): 45-07-24-301-008.000-003, 45-07-24-301-011.000-003, 45-07-24-301-012.000-003 and 45-07-24-301-013.000-003

### PARCEL 1:

PART OF A TRACT IN THE SOUTH 6-1/2 ACRES OF THAT PART OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 36 NORTH RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER THEREOF AND RUNNING THENCE EAST 80 RODS; THENCE NORTH 26 RODS; THENCE WEST 80 RODS; THENCE SOUTH 26 RODS TO THE POINT OF BEGINNING; THE PARCEL HEREIN COVERED BEING MORE PARTICULARLY DESCRIBED AS BEGINNING AT A POINT 300 FEET EAST OF THE SOUTHWEST CORNER OF SAID QUARTER, QUARTER SECTION; THENCE EAST 50 FEET THENCE NORTH AT RIGHT ANGLES 214.5 FEET; THENCE WEST AT RIGHT ANGLES 50 FEET; THENCE SOUTH AT RIGHT ANGLES 214.5 FEET TO THE POINT OF BEGINNING, IN LAKE COUNTY, INDIANA.

### PARCEL 2:

THAT PART OF TRACT IN THE SOUTH 6.5 ACRES OF THAT PART OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 36 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER THEREOF AND RUNNING THENCE EAST 80 RODS; THENCE NORTH 26 RODS; THENCE WEST 80 RODS; THENCE SOUTH 26 RODS TO THE POINT OF BEGINNING, THE PARCEL THEREIN COVERED BEING MORE PARTICULARLY DESCRIBED AS BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4; THENCE EAST ON THE SOUTH LINE OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4 300 FEET; THENCE NORTH ON A LINE PARALLEL TO THE WEST LINE OF SAID SOUTHWEST 1/4 214.5 FEET; THENCE WEST ON A LINE PARALLEL TO SAID SOUTH LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 100 FEET; THENCE SOUTH ON A LINE PARALLEL TO THE WEST LINE OF SAID SOUTHWEST 1/4 114.5 FEET; THENCE WEST ON A LINE PARALLEL TO THE SOUTH LINE OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4, 200 FEET TO THE WEST LINE OF SAID SOUTHWEST 1/4; THENCE SOUTH ALONG SAID WEST LINE OF THE SOUTHWEST 1/4, 100 FEET TO THE POINT OF BEGINNING, IN LAKE COUNTY, INDIANA.

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## PARCEL 3:

PART OF A TRACT IN THE SOUTH 6-1/2 ACRES OF THAT PART OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 36 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER THEREOF AND RUNNING THENCE EAST 80 RODS, THENCE NORTH 26 RODS, THENCE WEST 80 RODS, THENCE SOUTH 26 RODS TO THE POINT OF BEGINNING, THE PARCEL THEREIN COVERED BEING MORE PARTICULARLY DESCRIBED AS BEGINNING AT THE SOUTHWEST CORNER OF SAID QUARTER, QUARTER SECTION, THENCE EAST ON THE SOUTH LINE OF SAID QUARTER, QUARTER SECTION, 300 FEET, THENCE NORTH 214.5 FEET; THENCE WEST 100 FEET; THENCE SOUTH 100 FEET TO A POINT WHICH IS THE POINT OF BEGINNING; THENCE WEST 200 FEET; THENCE SOUTH 14.5 FEET; THENCE EAST 200 FEET; THENCE NORTH 14.5 FEET TO THE POINT OF BEGINNING, IN LAKE COUNTY, INDIANA.

## PARCEL 4:

THE WEST 3 ACRES OF THE NORTH 6-1/2 ACRES OF THAT PART OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 36 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, COMMENCING AT THE SOUTHWEST CORNER THEREOF AND RUNNING THENCE EAST 80 RODS, THENCE NORTH 26 RODS, THENCE WEST 80 RODS, THENCE SOUTH 26 RODS, TO THE POINT OF BEGINNING, IN LAKE COUNTY, INDIANA.

## PARCEL 5:

THE NORTH 100 FEET OF THE WEST 200 FEET OF THE FOLLOWING DESCRIBED PARCEL OF LAND; PART OF THE SOUTH 6-1/2 ACRES OF THAT PART OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 36 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, COMMENCING AT THE SOUTHWEST CORNER THEREOF, AND RUNNING THENCE EAST 80 RODS; THENCE NORTH 26 RODS; THENCE WEST 80 RODS; THENCE SOUTH 26 RODS TO THE PLACE OF BEGINNING, IN LAKE COUNTY, INDIANA.

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EXHIBIT B

INTENTIONALLY DELETED

Property of Lake County Recorder

## EXHIBIT C

### PAGE 1 OF 5

#### INSURANCE REQUIREMENTS

1. Property Insurance. For so long as any of the Obligations are outstanding, Borrower shall continuously maintain property insurance in accordance with the following provisions:

- (a) Special Form Causes of Loss. Borrower shall maintain property insurance with respect to the Buildings, Improvements and Betterments, Fixtures and Personal Property insuring against any peril now or hereafter included within the classification "Special Form Causes of Loss," in amounts at all times sufficient to prevent Borrower or Lender from becoming a co-insurer within the terms of the applicable law, but in any event such insurance shall be maintained in an amount equal to the full replacement cost of the Buildings, Improvements, and Betterments, Fixtures and Personal Property. The term "replacement cost" means the actual replacement cost (without taking into account any depreciation and exclusive of excavations, footings and foundation, landscaping and paving) determined annually by an insurer, a recognized independent insurance agent or broker or an independent appraiser selected and paid by Borrower.

Special Form Causes of Loss shall also cover such other insurable perils that, under good insurance practices, other commercial property owners from time to time insure against for property and buildings similar to the subject Property in height, location, nature, type of construction, and use, as evidenced by written advice from Lender's insurance advisors.

- (b) Flood. Flood insurance in amount equal to the lesser of (1) the amount required for one hundred percent (100%) of the full replacement value of the Buildings, Improvements and Betterments, Fixtures and Personal Property, with co-insurance clause if any, only as acceptable to Lender, or (2) the maximum limit of coverage available with respect to the Property under the Federal Flood Insurance Program; provided that such flood insurance shall not be required if Borrower shall provide Lender with evidence satisfactory to Lender that the Property is not situated within an area identified by the Secretary of Housing and Urban Development (or any other appropriate governmental department, agency, bureau, board, or instrumentality) as an area having special flood hazard, and that no flood insurance is required on the Mortgaged Property by any regulations under which the Lender is governed;
- (c) Earthquake. Borrower shall maintain earthquake insurance in any area of increased risk as Lender requires. Lender may change its requirements for Earthquake insurance from time to time based upon:

## EXHIBIT C

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- (i) Review of the current probable maximum loss seismic study, to be performed at Borrower's expense (up to once every two years), forecasting the expected damage from any event anticipated to reoccur once in 475 years, on a 90 percent-certain statistical basis;
- (ii) Actual and potential losses at any other locations for the same. Earthquake insurance covers and sharing the policy's claims made and annual aggregate limits of available coverage, and
- (iii) Expected loss of business or rental income during restoration. Deductibles shall be satisfactory to Lender, but never more than five percent of the location insurable values.
- (d) Wind/Named Storm. Borrower shall maintain coverage for damage to the Property resultant from wind or Named Storm as identified via either the National Weather service or other appropriate weather agency with coverage limits included in the scheduled amount of Buildings, Improvements and Betterments, Fixtures and Personal Property insurance.
- (e) Equipment Breakdown. Borrower shall maintain broad form, replacement cost basis mechanical breakdown insurance covering all boilers or other pressure vessels, machinery, equipment and air conditioning or heating units located in, on or about the Property and insurance against physical loss, rental loss, extra expense, expediting loss and loss of occupancy or use arising from any breakdown in such amounts as are generally required by institutional lenders for properties comparable to the Property and including extended coverage for utility interruption and a joint loss agreement.
- (f) Rent Loss/Business Interruption/Extra Expense. Borrower shall maintain business interruption and/or loss of "rental income" insurance in an amount sufficient to avoid any co-insurance penalty and to provide proceeds that will cover a period of not less than eighteen (18) months from the date of casualty or loss, the term "rental income" to mean the sum of (i) the total then ascertainable rents escalations and all other recurring sums payable under the Leases affecting the subject Property and (ii) the total ascertainable amount of all other amounts to be received by Borrower from third parties which are the legal obligation of the tenants, reduced to the extent such amounts would not be received because of operating expenses not incurred during a period of non-occupancy to that portion of the subject property then not being occupied. The policy shall include an agreed amount endorsement or a waiver of the coinsurance requirement.



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## EXHIBIT C

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- (g) Building Ordinance or Law. Borrower shall maintain building ordinance coverage in an amount deemed sufficient by the Lender. Replacement cost of the undamaged portion of the Buildings and additional expense of demolition and increased cost of construction including increased cost from any changes in laws on restoration shall be included. Borrower will consult with construction consultants as reasonably required to ensure that proper coverages are in effect at all times for coverages A, B and C. This policy shall include an increased period of restoration endorsement.
- (h) Debris Removal. Borrower shall maintain coverage for the cost of removal of debris of Property damaged by an insured peril with the coverage limits included in the scheduled amount of Buildings, Improvements and Betterments, Fixtures and Personal Property insurance.
- (i) Radio/Television/Cellular/Satellite Towers and/or Antennae. Borrower shall maintain coverage for any Radio, Television, Cellular, Satellite or other communication towers, antennae or associated equipment situated on or about the Property against damage by an insured peril with limits deemed appropriate by the Lender.
- (j) Builder's Risk. Borrower shall maintain, or cause its general contractor to maintain, at all times during which structural construction, repair or alterations are being made with respect to the Property (1) the insurance provided for in subsection (a) above written on a builder's risk completed value form (a) on a 100% non-reporting basis, (b) against all risks of physical loss, including earthquake and flood, (c) including permission to occupy the subject property, and (d) with an agreed amount endorsement (including soft costs), specifications, blueprints/models, demolition, increased cost of construction and rental interruption for delayed opening on an actual loss sustained basis as pertinent, waiving co-insurance provisions.
- (k) Terrorism Coverage. Upon Lender's request, in the event that such coverage with respect to terrorist acts is not included as part of the insurance policy required by subsection (a) above, coverage against loss or damage by terrorist acts in an amount equal to one hundred percent (100%) of the full replacement value of the Improvements, Fixtures and Personal Property, with a co-insurance clause, if any, only as acceptable to Lender.

Borrower may provide any required insurance under a blanket policy or policies covering the property and other assets, provided that:

- (a) The blanket policy otherwise meets all requirements for required insurance. And, except in the case of liability insurance, specifies how much coverage, and which sublimits, apply exclusively to the property; and

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## EXHIBIT C

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- (b) The amount allocated to the property equals or exceeds the required insurance.
2. Liability Insurance. For so long as any of the Obligations are outstanding, Borrower shall continuously maintain liability insurance in accordance with the following provisions:
- (a) Commercial General Liability Insurance. Borrower shall maintain commercial general liability insurance, including bodily injury and property damage liability insurance against any and all claims, including all legal liability to the extent insurable and imposed upon Lender and all court costs and attorneys' fees and expenses, arising out of or connected with the possession, use, leasing, development activities, operation, maintenance or condition of the subject property in amounts not less than \$1,000,000 per claims made per year and an aggregate of \$2,000,000. Such liability insurance must be claims made coverage, rather than claims made coverage. This insurance must stand on its own with no shared participation or proration.
  - (b) Automobile. Borrower shall maintain automobile liability insurance if over the road vehicles, whether owned, hired or non-owned, are operated in conjunction with the Property. The automobile liability limit amount to be not less than \$1,000,000 combined single limit.
  - (c) Workers' Compensation and Employer's Liability Insurance. Borrower shall maintain workers' compensation and employers' liability insurance with respect to any work on or about the Property. Liability limits shall be a minimum of:
    - (i) Workers Compensation – Statutory as required by state law
    - (ii) Employers' Liability –  
Bodily injury by accident: \$1,000,000 each accident  
Bodily injury by disease: \$1,000,000 each employee  
Bodily injury by disease: \$1,000,000 policy limit
  - (d) Umbrella. Borrower shall maintain excess/umbrella liability coverage in an amount not less than \$5,000,000. Coverage to be excess to the above referenced Commercial General Liability, Automobile and Employer's Liability and be on a following form basis.

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## EXHIBIT C

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- (e) Liquor Liability/Dram Shop. If alcoholic beverages are sold or served at the Property, by Borrower or tenants, Borrower shall maintain dram shop, host liquor liability of liquor liability coverage of at least One Million Dollars (\$1,000,000) per occurrence and annual aggregate. The combination of primary and umbrella/excess liability policies may be required to satisfy the liability limit requirements deemed necessary by the Lender.
- (f) Environmental Coverage. Intentionally omitted.

The carrier shall agree that the policy shall be automatically assigned to the Lender, with no further action required by any person, if:

- (i) Control of the property passes to Lender as a result of an event of default or any exercise of Lender's remedies; or
  - (ii) Lender or its insurance advisor otherwise at any time so requires.
- (g) Owner/Contractor/Protective. Owner's/Contractor's protective liability insurance (in a limit to be deemed appropriate by the Lender) covering claims not covered by or under the terms or provisions of the commercial general liability insurance policy, may be required by the Lender.
  - (h) Professional Liability. Proof of Professional Liability coverage (in a limit to be deemed appropriate by the Lender) may be required by the Lender (from Borrower or from the third party vendor, as applicable) for the following activities:
    - (i) Accounting;
    - (ii) Architectural;
    - (iii) Appraisal;
    - (iv) Asbestos abatement;
    - (v) Engineering;
    - (vi) Environmental;
    - (vii) Legal;
    - (viii) Other consultants.