

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**  
**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**Date of Report: June 20, 2008**  
(Date of earliest event reported)

**SUN COMMUNITIES, INC.**  
(Exact name of registrant as specified in its charter)

**Maryland**  
(State of Organization)

**Commission File No. 1-12616**

**38-2730780**  
(IRS Employer I.D. No.)

**27777 Franklin Road**  
**Suite 200**  
**Southfield, Michigan 48034**  
(Address of principal executive offices)

**(248) 208-2500**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

On June 20, 2008, Sun Communities, Inc. (the "Company"), through applicable affiliated subsidiaries, completed a financing (the "Loan") of Twenty Seven Million and 00/100 Dollars (\$27,000,000.00) with LaSalle Bank Midwest N.A. a/k/a Bank of America, such Loan secured by the following properties known to the Company as: (1) Apple Creek; (2) Orchard Lake; (3) Tampa East RV; and (4) Lakeview, and on the following general terms: (A) three-year term (with an option to extend for two years); (B) interest rate of 205bp over LIBOR or Base Rate plus 25bp (Base Rate is higher of Prime Rate or Federal Funds Rate plus .5%.); and (C) interest only for the first year, while remainder of term amortized based on a 30-year table. In addition, Sun Communities Operating Limited Partnership is providing a full guarantee of all obligations under the Loan. \$4.3 million of the proceeds of the Loan were used to repay an existing mortgage and the remainder of the proceeds will be used to pay down the Company's revolving line of credit. This brief description of the financing is qualified in its entirety by reference to the full text of the respective agreements attached as Exhibits 10.1 through 10.8, and each is incorporated by reference into this Item 1.01.

## ITEM 9.01.

## EXHIBITS

(d) *Exhibits.*

EXHIBIT #	DESCRIPTION
10.1	Loan Agreement, dated as of June 20, 2008, by and among Apple Orchard, L.L.C.; Sun Lakeview LLC; and Sun Tampa East, LLC, and LASALLE BANK MIDWEST NATIONAL ASSOCIATION
10.2	Open-End Mortgage, dated as of June 20, 2008, executed by Apple Orchard, L.L.C., to and for the benefit of LASALLE BANK MIDWEST NATIONAL ASSOCIATION
10.3	Commercial Mortgage, dated as of June 20, 2008, executed by Sun Lakeview LLC to and for the benefit of LASALLE BANK MIDWEST NATIONAL ASSOCIATION
10.4	Commercial Mortgage, dated as of June 20, 2008, executed by Sun Tampa East, LLC to and for the benefit of LASALLE BANK MIDWEST NATIONAL ASSOCIATION
10.5	Promissory Note, dated June 20, 2008, in the principal amount of Twenty Seven Million and 00/100 Dollars (\$27,000,000.00), by Apple Orchard, L.L.C.; Sun Lakeview LLC; and Sun Tampa East, LLC, in favor of LASALLE BANK MIDWEST NATIONAL ASSOCIATION

- 10.6 Continuing Unconditional Guaranty, dated as of June 20, 2008, executed by Sun Communities Operating Limited Partnership to and for the benefit of LASALLE BANK MIDWEST NATIONAL ASSOCIATION
- 10.7 Form and Example of: Environmental Indemnity Agreement, dated as of June 20, 2008, executed by Apple Orchard, L.L.C. and Sun Communities Operating Limited Partnership to and for the benefit of LASALLE BANK MIDWEST NATIONAL ASSOCIATION
- 10.8 Form and Example of: Assignment of Leases and Rents, dated as of June 20, 2008, executed by Apple Orchard, L.L.C. to and for the benefit of LASALLE BANK MIDWEST NATIONAL ASSOCIATION

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUN COMMUNITIES, INC.

Dated: June 26, 2008

By: /s/ Karen J. Dearing  
Karen J. Dearing, Executive Vice President,  
Chief Financial Officer, Secretary and Treasurer

**SUN COMMUNITIES, INC.**  
**EXHIBIT INDEX**

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**LOAN AGREEMENT**

**dated as of June 20, 2008**

**by and between**

**APPLE ORCHARD, L.L.C.,  
a Michigan limited liability company**

**SUN LAKEVIEW LLC,  
a Michigan limited liability company**

**SUN TAMPA EAST, LLC,  
a Michigan limited liability company**

**as Borrowers**

**and**

**LASALLE BANK MIDWEST NATIONAL ASSOCIATION,  
a national banking association**

**TABLE OF CONTENTS**

<b><u>Article</u></b>		<b><u>Page</u></b>
ARTICLE 1	<a href="#"><u>INCORPORATION AND DEFINITIONS</u></a>	1
<a href="#"><u>1.1</u></a>	Incorporation and Definitions	1
ARTICLE 2	<a href="#"><u>REPRESENTATIONS AND WARRANTIES</u></a>	6
<a href="#"><u>2.1</u></a>	Representations and Warranties	6
<a href="#"><u>2.2</u></a>	Continuation of Representations and Warranties	9
ARTICLE 3	<a href="#"><u>AMOUNT AND TERMS OF LOAN</u></a>	9
<a href="#"><u>3.1</u></a>	Agreement to Lend and to Borrow; Note	9
ARTICLE 4	<a href="#"><u>PRINCIPAL, INTEREST; SPECIAL PROVISIONS FOR LIBOR LOANS</u></a>	9
<a href="#"><u>4.1</u></a>	Interest Rates	9
<a href="#"><u>4.2</u></a>	Payment of Principal and Interest	10
<a href="#"><u>4.3</u></a>	Types of Loans; Setting and Notice of LIBOR Rates	11
<a href="#"><u>4.4</u></a>	Conversion and Continuation Procedures	11
<a href="#"><u>4.5</u></a>	Computation of Interest and Fees	11
<a href="#"><u>4.6</u></a>	Inability to Determine Interest Rate	12
<a href="#"><u>4.7</u></a>	Payments	12
<a href="#"><u>4.8</u></a>	Illegality	12
<a href="#"><u>4.9</u></a>	Legal Requirements	12
<a href="#"><u>4.10</u></a>	Taxes	13
<a href="#"><u>4.11</u></a>	LIBOR Loan Indemnification	14
ARTICLE 5	<a href="#"><u>LOAN DOCUMENTS</u></a>	14
<a href="#"><u>5.1</u></a>	Loan Documents	14
ARTICLE 6	<a href="#"><u>CONDITIONS TO LOAN CLOSING</u></a>	15
<a href="#"><u>6.1</u></a>	Conditions to Loan Closing	15
<a href="#"><u>6.2</u></a>	Termination of Agreement	18
ARTICLE 7	<a href="#"><u>DISBURSEMENT</u></a>	18
<a href="#"><u>7.1</u></a>	Conditions Precedent to Disbursement of Loan Proceeds	18
<a href="#"><u>7.2</u></a>	Expenses and Advances Secured by Mortgages	19
<a href="#"><u>7.3</u></a>	Acquiescence not a Waiver	19
<a href="#"><u>7.4</u></a>	The Bank's Action for the Bank's Own Protection Only	19
ARTICLE 8	<a href="#"><u>FURTHER AGREEMENTS OF BORROWER</u></a>	19
<a href="#"><u>8.1</u></a>	Furnishing Information	19
<a href="#"><u>8.2</u></a>	Debt Service Coverage Ratio	19
<a href="#"><u>8.3</u></a>	Adjusted EBITDA to Fixed Charges Ratio	19
<a href="#"><u>8.4</u></a>	Total Leverage Ratio	19
<a href="#"><u>8.5</u></a>	Compliance with Covenants; Prohibition Against Additional Recordings	19
<a href="#"><u>8.7</u></a>	Distributions	20
<a href="#"><u>8.8</u></a>	Further Assurance	20
ARTICLE 9	<a href="#"><u>CASUALTIES AND CONDEMNATION</u></a>	20

<u>Article</u>		<u>Page</u>
<a href="#">9.1</a>	Application of Insurance Proceeds and Condemnation Awards	20
ARTICLE 10	<a href="#">PARTICIPATIONS, SALE AND ENCUMBRANCES</a>	20
<a href="#">10.1</a>	Bank Participations	20
<a href="#">10.2</a>	Prohibition of Assignments and Encumbrances by Borrower	21
<a href="#">10.3</a>	Special Provisions Regarding Expansion Property	21
ARTICLE 11	<a href="#">EVENTS OF DEFAULT BY BORROWER</a>	22
<a href="#">11.1</a>	Event of Default Defined	22
ARTICLE 12	<a href="#">BANK'S REMEDIES UPON EVENT OF DEFAULT</a>	23
<a href="#">12.1</a>	Remedies Conferred upon the Bank	23
<a href="#">12.2</a>	Setoff Rights	23
<a href="#">12.3</a>	Right of Bank to Make Advances to Cure Event of Defaults; Obligatory Advances	23
<a href="#">12.4</a>	Attorneys Fees	23
<a href="#">12.5</a>	No Waiver	24
<a href="#">12.6</a>	Default Rate	24
ARTICLE 13	<a href="#">MISCELLANEOUS</a>	24
<a href="#">13.1</a>	Time is of the Essence	24
<a href="#">13.2</a>	The Bank's Determination of Facts	24
<a href="#">13.3</a>	Prior Agreements	24
<a href="#">13.4</a>	Disclaimer by Bank	24
<a href="#">13.5</a>	Borrower Indemnification	24
<a href="#">13.6</a>	Captions	25
<a href="#">13.7</a>	Inconsistent Terms and Partial Invalidity	25
<a href="#">13.8</a>	Gender and Number	25
<a href="#">13.9</a>	Notices	25
<a href="#">13.10</a>	Effect of Agreement	26
<a href="#">13.11</a>	Governing Law	26
<a href="#">13.12</a>	Waiver of Defenses	26
<a href="#">13.13</a>	Consent to Jurisdiction	26
<a href="#">13.14</a>	Waiver of Jury Trial	27
<a href="#">13.15</a>	Counterparts; Facsimile Signatures	27
<a href="#">13.16</a>	Customer Identification - USA Patriot Act Notice	27

**EXHIBITS**

EXHIBIT "A" - THE PROPERTY  
EXHIBIT "B" – FORM OF PROMISSORY NOTE



## LOAN AGREEMENT

This **LOAN AGREEMENT** dated as of June 20, 2008 (the "Agreement"), is executed by and among **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "Borrower") and **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association (the "Bank").

### RECITALS:

A. Each Borrower is the owner of one or more of the properties described in Exhibit "A" attached hereto (being collectively referred to herein as the "Property").

B. Borrower has applied to the Bank for the Loan (as hereinafter defined) for the purpose of financing the Property, and the Bank is willing to make the Loan upon the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual representations, warranties, covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, the parties hereto represent and agree as follows:

•

### INCORPORATION AND DEFINITIONS

1.1 **Incorporation and Definitions.** The foregoing recitals and all exhibits hereto are hereby made a part of this Agreement. The following terms shall have the following meanings in this Agreement:

"Adjusted EBITDA" means such term as defined in the Credit Agreement.

"Adjusted Net Operating Income" means, as of any measurement date, the gross income derived from the operation of the Property, on a combined basis, over the preceding 12-month period, less Operating Expenses attributable to the Property, on a combined basis, over the preceding 12-month period, accounted for on an accrual basis, in accordance with GAAP, including any rent loss or business interruption insurance proceeds, and water and sewer charges, which are actually received and Operating Expenses actually paid or payable on an accrual basis attributable to the Property as set forth on operating statements satisfactory to the Bank, less a capital expenditure reserve equal to \$50 for each pad in the Property. Notwithstanding the foregoing, Net Operating Income shall not include (i) any condemnation or insurance proceeds (excluding rent or business interruption insurance proceeds), (ii) any proceeds resulting from the sale, exchange, transfer, financing or refinancing of all or any portion of the Property, (iii) amounts received from tenants as security deposits, (iv) amounts received from affiliates of the Borrower or the Guarantor, which amounts do not represent pass-through rent payments received from bona-fide third party tenants, (v) interest income, and (vi) any type of income otherwise included in Net Operating Income but paid directly by any tenant to anyone other than Borrower or the Guarantor or its agents or representatives.

“Applicable Margin” means, with respect to LIBOR Loans, two and 05/100 percent (2.05%) per annum and, with respect to Base Rate Loans, one quarter of one percent (0.25%) per annum.

“Assignments of Rents” means such term as defined in Section 5 hereof

“Bank” means such term as defined in the Preamble.

“Base Rate Loan” means any Loan which bears interest at a rate determined by reference to the Base Rate.

“Base Rate” means, at any time, the greater of the Federal Funds Rate plus one-half of one percent (0.50%) and the Prime Rate.

“Borrower” means such term as defined in the Preamble.

“Business Day” means any day other than a Saturday, Sunday or a legal holiday on which banks are authorized or required to be closed for the conduct of commercial banking business in Troy, Michigan.

“Commitment Fee” means a commitment fee in the amount of One Hundred One Thousand Two Hundred Fifty and 00/100 Dollars (\$101,250.00) payable to the Bank as provided in this Loan Agreement.

“Computation Period” means such term as defined in the Credit Agreement.

“Credit Agreement” means the CREDIT AGREEMENT, dated as of September 30, 2004, as amended, among the Guarantor, Sun Communities, Inc., the various financial institutions party thereto, as Lenders, and the Bank, as Administrative Agent.

“Debt Service” means, as of any measurement date, the sum of twelve monthly principal and interest payments each in the amount that would be necessary to amortize the principal balance outstanding of the Loan as of such date over a 30-year amortization period with interest at the greater of: (1) the Treasury Based Rate, or (2) Seven and One-Half percent (7.50%) per annum.

“Debt Service Coverage Ratio” means, as of any measurement date, the ratio of Adjusted Net Operating Income to Debt Service.

“Default Rate” means such term as defined in Section 4.1 hereof.

“Environmental Indemnity Agreement” means such term as defined in Section 5 hereof.

“Environmental Laws” means such term as defined in the Environmental Indemnity.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Eurocurrency Reserve Percentage” means, with respect to any LIBOR Loan for any Interest Period, a percentage (expressed as a decimal) equal to the daily average during such Interest Period of the percentage in effect on each day of such Interest Period, as prescribed by the FRB, for determining the aggregate maximum reserve requirements applicable to “Eurocurrency Liabilities” pursuant to Regulation D or any other then applicable regulation of the

“Event of Default” means one or more of the events or occurrences referred to in Article 11 of this Agreement.

“Federal Funds Rate” means, for any day, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank. The Bank’s determination of such rate shall be binding and conclusive absent manifest error.

“Fixed Charges” means such term as defined in the Credit Agreement.

“FRB” means the Board of Governors of the Federal Reserve System or any successor thereof.

“GAAP” means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination, provided, however, that interim financial statements or reports shall be deemed in compliance with GAAP despite the absence of footnotes and fiscal year-end adjustments as required by GAAP.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Guarantor” means Sun Communities Operating Limited Partnership, a Michigan limited partnership.

“Hazardous Materials” means such term as defined in the Environmental Indemnity.

“Interest Period” means, as to any LIBOR Loan, the period commencing on the date such Loan is borrowed or continued as a LIBOR Loan and ending on the date one, two, three, six, nine or twelve months thereafter as selected by Borrower pursuant to Section 4.3; provided that:

(i) each Interest Period occurring after the initial Interest Period of any LIBOR Loan shall commence on the day on which the preceding Interest Period for such LIBOR Loan expires;

(ii) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(iii) any Interest Period that begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iv) Borrower may not select any Interest Period for a Loan which would extend beyond the scheduled Maturity Date.

“Lease(s)” means any and all leases, licenses or agreements for use of any part of the Property.

“Legal Requirements” means, as to any person or party, the Articles of Incorporation or Organization and bylaws, operating agreement, partnership agreement or other organizational or governing documents of such person or party, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such person or party or any of its property or to which such person or party or any of its property is subject.

“LIBOR Loan” means any Loan which bears interest at a rate determined by reference to the LIBOR Rate (Reserve Adjusted).

“LIBOR Rate” means, with respect to any LIBOR Loan for any Interest Period, the per annum rate of interest at which United States dollar deposits in an amount comparable to the amount of such LIBOR Loan and for a period equal to the relevant Interest Period are offered in the London Interbank Eurodollar market at 11:00 a.m. (London time) two (2) Business Days prior to the commencement of such Interest Period (or three Business Days prior to the commencement of such Interest Period if banks in London, England were not open and dealing in offshore United States dollars on such second preceding Business Day), as displayed in the *Bloomberg Financial Markets* system, provided, however, if the *Bloomberg's Financial Markets* system is no longer available, the Bank, in its sole discretion, shall designate another daily financial or governmental news service or publication of national circulation to be used to determine the LIBOR Rate).

“LIBOR Rate (Reserve Adjusted)” means, with respect to any LIBOR Loan for any Interest Period, a rate per annum equal to (A) the LIBOR Rate, divided by (B) a number determined by subtracting from 1.00 the Eurocurrency Reserve Percentage.

“Loan Amount” means the principal amount of the Loan, which is Twenty Seven Million and 00/100 Dollars (\$27,000,000.00).

“Loan Documents” means this Agreement, the documents specified in Article 5 hereof and any other instruments evidencing, securing or guarantying obligations of any party under the Loan.

“Loan Expenses” means such term as defined in Section 7.2(b) hereof.

“Loan Closing” means the first disbursement of the Loan.

“Loan Closing Date” means June 20, 2008.

“Loan Proceeds” means all amounts advanced as part of the Loan, whether advanced directly to Borrower or otherwise.

“Loan” or “Loans” means the loan to be made by the Bank pursuant to this Agreement which shall be comprised of LIBOR Loans and/or Base Rate Loans.

“Maturity Date” means June 20, 2011, unless extended as provided in Section 4.2(b).

“Mortgages” means such term as defined in Section 5 hereof.

“Non-Excluded Taxes” means such term as defined in Section 4.10 hereof.

“Note” means the promissory note made by Borrower payable to the Bank in the amount of the Loan and in the Form of Exhibit “B” hereto.

“Operating Expenses” means, for any given period (and shall include the pro rata portion for such period of all such expenses attributable to, but not paid during, such period) all expenses to be paid or payable, as determined in accordance with GAAP, by Borrower during that period in connection with the operation of the Property, including without limitation:

(i) expenses for cleaning, repair, maintenance, decoration and painting of the Property (including, without limitation, parking lots and roadways), net of any insurance proceeds in respect of any of the foregoing;

(ii) wages (including overtime payments), benefits, payroll taxes and all other related expenses for Borrower’s on-site personnel, engaged in the repair, operation and maintenance of the Property and service to tenants and on-site personnel engaged in audit and accounting functions performed by Borrower;

(iii) actual management fees, if any, together with any allocated management fees or similar fees received from tenants or other parties. Such fees shall include all fees for management services whether such services are performed at the Property or off-site;

(iv) the cost of all electricity, oil, gas, water, steam, heat, ventilation, air conditioning and any other energy, utility or similar item and the cost of building and cleaning supplies;

(vi) rent, liability, casualty and fidelity insurance premiums;

(vii) legal, accounting and other professional fees and expenses;

(viii) the cost of all equipment to be used in the ordinary course of business, which is not capitalized in accordance with GAAP;

(ix) real estate and other taxes;

(x) advertising and other marketing costs and expenses;

(xi) casualty losses to the extent not reimbursed by a third party;

(xii) any ground lease payments; and

(xiii) all amounts that should be reserved, as reasonably determined by Borrower with approval by the Bank in its reasonable discretion, for repair or maintenance of the Property and to maintain the value of the Property.

Notwithstanding the foregoing, Operating Expenses shall not include (i) depreciation or amortization or any other non-cash item of expense; (ii) interest, principal, fees, costs and expense reimbursements of the Bank in administering the Loan but not in exercising any of its rights under this Agreement or the Loan Documents; or (iii) any expenditure (other than leasing commissions, tenant concessions and improvements, and replacement reserves) which is properly treatable as a capital item under GAAP.

“Permitted Exceptions” means the title exceptions specified as permitted exceptions in each of the Mortgages, together with such additional exceptions as may be approved in writing by the Bank or are permitted by the terms hereof.

“Prime Rate” means For any day, the rate of interest most recently announced by the Bank at Troy, Michigan as its prime or base rate. A certificate made by an officer of the Bank stating the Prime Rate in effect on any given day, for the purposes hereof, shall be conclusive evidence of the Prime Rate in effect on such day. The Prime Rate is a base reference rate of interest adopted by the Bank as a general benchmark from which the Bank determines the floating interest rates chargeable on various loans to borrowers with varying degrees of creditworthiness and Borrower acknowledges and agrees that the Bank has made no representations whatsoever that the Prime Rate is the interest rate actually offered by the Bank to borrowers of any particular creditworthiness. The effective date of any change in the Prime Rate shall for purposes hereof be the date the Prime Rate is changed by the Bank. The Bank shall not be obligated to give notice of any change in the Prime Rate.

“Property” means such term as defined in the Recitals to this Agreement.

“Regulatory Change” means the introduction of, or any change in any applicable law, treaty, rule, regulation or guideline or in the interpretation or administration thereof by any governmental authority or any central bank or other fiscal, monetary or other authority having jurisdiction over the Bank or its lending offices.

“State” means the state in which the Property is located.

“Title Company” means LandAmerica LawyersTitle Insurance Company.

“Total Leverage Ratio” means such term as defined in the Credit Agreement.

“Treasury Based Rate” means a per annum rate of interest equal to (i) two and 00/100 percent (2.00%) plus (ii) the yield (converted as necessary to an annual interest rate) on 10-year United States Treasury Securities at approximately 8:00 a.m. Troy, Michigan time two (2) Business Day prior to the measurement date, as displayed in the *Bloomberg’s Financial Markets* system, provided, however, if the *Bloomberg’s Financial Markets* system is no longer available, the Bank, in its sole discretion, shall designate another daily financial or governmental news service or publication of national circulation to be used to determine such yield).

## ARTICLE 2

### REPRESENTATIONS AND WARRANTIES

2.1 **Representations and Warranties.** To induce the Bank to execute and perform this Agreement, Borrower hereby represents, covenants and warrants to the Bank as follows:

(a) At the Loan Closing and at all times thereafter until the Loan is paid in full, each Borrower will have good and merchantable fee simple title to the Property that it owns, subject only to the Permitted Exceptions;

(b) Each Borrower is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Michigan and is qualified to conduct business in the State of Michigan. Borrower has full power and authority to conduct its business as presently conducted, to own and operate the Property, to enter into this Agreement and to perform all of its duties and obligations under this Agreement and under the Loan Documents; such execution and performance have been duly authorized by all necessary Legal Requirements; neither Borrower nor Guarantor has been convicted of a felony and there are no proceedings or investigations being conducted involving criminal activities of either Borrower or Guarantor;

(c) This Agreement, the Note, the Mortgages, the other Loan Documents and any other documents and instruments required to be executed and delivered by Borrower and/or Guarantor in connection with the Loan, when executed and delivered, will constitute the duly authorized, valid and legally binding obligations of the party required to execute the same and will be enforceable strictly in accordance with their respective terms (except to the extent that enforceability may be affected or limited by applicable bankruptcy, insolvency and other similar debtor relief laws affecting the enforcement of creditors' rights generally); no basis presently exists for any claim against the Bank under this Agreement, under the Loan Documents or with respect to the Loan; enforcement of this Agreement and the Loan Documents are subject to no defenses of any kind;

(d) The execution, delivery and performance of this Agreement, the Note, the Mortgages, the other Loan Documents and any other documents or instruments to be executed and delivered by Borrower or Guarantor pursuant to this Agreement or in connection with the Loan and occupancy and use of the Property will not: (i) violate any Legal Requirements, or (ii) conflict with, be inconsistent with, or result in any breach or default of any of the terms, covenants, conditions or provisions of any indenture, mortgage, deed of trust, instrument, document, agreement or contract of any kind to which Borrower or Guarantor is a party or by which any of them may be bound. Neither Borrower nor Guarantor is in default (without regard to grace or cure periods) under any contract or agreement to which it is a party, the effect of which default will adversely affect the performance by Borrower or Guarantor of its obligations pursuant to and as contemplated by the terms and provisions of this Agreement and/or the other Loan Documents;

(e) No condition, circumstance, event, agreement, document, instrument, restriction, litigation or proceeding (or threatened litigation or proceeding or basis therefor) exists which could (i) adversely affect the validity or priority of the liens and security interests granted the Bank under the Loan Documents; (ii) materially adversely affect the ability of Borrower or Guarantor to perform their obligations under the Loan Documents; or (iii) constitute an Event of Default under any of the Loan Documents or an event which, with the giving of notice, the passage of time or both, would constitute such an Event of Default;

(f) The Property, and the present use and occupancy of the Property, will not violate or conflict with any applicable law, statute, ordinance, rule, regulation or order of any kind in any material respect, including, without limitation, Environmental Laws, zoning, building, land use, noise abatement, occupational health and safety or other laws, any building permit or any condition, grant, easement, covenant, condition or restriction, whether recorded or not, and if a third-party is required under any covenants, conditions and restrictions of record or any other

agreement to consent to the use and/or operation of the Property, Borrower has obtained such approval from such party. In addition, and without limiting the foregoing, Borrower shall (a) ensure that no person or entity which owns a controlling interest in or otherwise controls Borrower is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders, (b) not use or permit the use of any Loan Proceeds to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply with all applicable Bank Secrecy Act laws and regulations, as amended;

(g) The Property has never been used, and the Property will not be used, for any activities which, directly or indirectly, involve the use, generation, treatment, storage, transportation or disposal of any Hazardous Materials in material violation of any Environmental Laws. No Hazardous Materials exist now, and no Hazardous Materials will hereafter exist, on or under the Property in material violation of any Environmental Laws or in any surface waters or groundwaters on or under the Property having a material adverse impact on the Property. The Property and its existing and prior uses have at all times materially complied with and will comply with all Environmental Laws, and Borrower has not violated, and will not violate, any Environmental Laws;

(h) There are no facilities on the Property which are subject to reporting under any State laws or Section 312 of the Federal Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Section 11022), and federal regulations promulgated thereunder. The Property does not contain any underground storage tanks;

(i) All financial statements submitted by Borrower or Guarantor to the Bank in connection with the Loan are true and correct in all material respects, have been prepared in accordance with generally accepted accounting principles consistently applied, and fairly present the respective financial conditions and results of operations of the entities which are their subjects;

(j) This Agreement and all financial statements, budgets, schedules, opinions, certificates, confirmations, applications, rent rolls, affidavits, agreements, and other materials submitted to the Bank in connection with or in furtherance of this Agreement by or on behalf of Borrower or Guarantor fully and fairly state the matters with which they purport to deal, and neither misstate any material fact nor, separately or in the aggregate, fail to state any material fact necessary to make the statements made not misleading;

(k) All governmental permits and licenses required by applicable law to occupy and operate the Property have been validly issued and are in full force;

(l) Improvements on the Property do not encroach upon any building line, set back line, sideyard line, or any recorded or visible easement (or other easement of which Borrower is aware or has reason to believe may exist) which exists with respect to the Property;

(m) The Loan, including interest rate, fees and charges as contemplated hereby, is a business loan; the Loan is an exempted transaction under the Truth In Lending Act, 12 U.S.C. § 1601 et seq.; and the Loan does not, and when disbursed will not, violate the provisions of the usury laws of the State, any consumer credit laws or the usury laws of any state which may have jurisdiction over this transaction, Borrower or any property securing the Loan; and



(n) The Leases are in full force and effect; no material defaults have occurred thereunder, except those defaults with respect to which the Borrower is taking appropriate collection or enforcement proceedings in the ordinary course of business; no tenant under any Lease has a right of set-off against payment of rent due thereunder; and enforcement of the Leases by Borrower or by the Bank pursuant to an exercise of the Bank's rights under the Assignment of Leases and Rents would be subject to no defenses of any kind.

2.2 **Continuation of Representations and Warranties.** The Borrower hereby covenants, warrants and agrees that the representations and warranties made in Section 2.1 hereof shall be and shall remain true and correct at the time of the Loan Closing and at all times thereafter so long as any part of the Loan shall remain outstanding.

### **ARTICLE 3**

#### **AMOUNT AND TERMS OF LOAN**

##### **3.1 Agreement to Lend and to Borrow; Note.**

(a) Subject to the conditions and upon the terms provided for in this Agreement, the Bank agrees to make the Loan to Borrower in the principal amount of the Loan Amount.

(b) The Loan shall be evidenced by a Note of Borrower, substantially in the form of Exhibit "B" hereto, payable to the order of the Bank. The date, amount and type of each Loan and payment or prepayment of principal with respect thereto, each continuation thereof, and the length of each Interest Period with respect to each LIBOR Loan shall be recorded by the Bank on its books and, at the discretion of the Bank, endorsed by the Bank, on schedules annexed to and constituting a part of the Note. Each such recordation shall constitute prima facie evidence of the accuracy of the information so recorded in the absence of manifest error. The Note shall (i) be dated the date hereof, (ii) be stated to mature on the Maturity Date, and (iii) provide for the payment of principal and interest in accordance with Article 4 hereof.

(c) No portion of any Loan shall be funded with plan assets of (i) any employee benefit plan subject to Title I of ERISA, (ii) any plan covered by Section 4975 of the Code, or (iii) any government plan subject to state laws that are comparable to Title I of ERISA or Section 4975 of the Code.

### **ARTICLE 4**

#### **PRINCIPAL, INTEREST; SPECIAL PROVISIONS FOR LIBOR LOANS**

4.1 **Interest Rates.** Borrower promises to pay interest on the unpaid principal amount of the Loan for the period commencing on the date of such Loan until such Loan is paid in full as follows:

(a) at all times while such Loan is a LIBOR Loan, at a rate per annum equal to the sum of the LIBOR Rate (Reserve Adjusted) applicable to each Interest Period for such Loan plus the Applicable Margin from time to time in effect; and

(b) at all times while such Loan is a Base Rate Loan, at a rate per annum equal to the sum of the Base Rate from time to time in effect plus the Applicable Margin from time to time in effect;

provided that at any time an Event of Default exists, the interest rate applicable to each Loan shall be increased by two percent (2.00%) (the “Default Rate”).

#### 4.2 **Payment of Principal and Interest.**

(a) Principal and interest on the Loan shall be payable as provided in the Note. The outstanding principal balance of the Loan shall be due and payable in full on the Maturity Date, unless the Loan is otherwise accelerated, terminated or extended as provided in this Agreement.

(b) The Borrower shall be entitled to extend the Maturity Date for an additional period of two (2) years from the initial Maturity Date upon notice given by the Borrower to the Bank at least thirty (30) days prior to the initial Maturity Date, provided that, as of the initial Maturity Date: (i) no Event of Default, after the expiration of any applicable notice and cure periods, shall have occurred and be continuing; and (ii) the Borrower shall pay to the Bank, on or before the initial Maturity Date, an extension fee in an amount equal to twelve and one-half basis points (0.125%) of the outstanding principal balance of the Loan as of the initial Maturity Date.

(c) Prior to the occurrence of an Event of Default, all payments and prepayments on account of the indebtedness evidenced by the Note shall be applied as follows: (i) first, to fees, expenses, costs and other similar amounts then due and payable to the Bank, (ii) second, to accrued and unpaid interest on the principal balance of the Note, (iii) third, to the payment of principal due in the month in which the payment or prepayment is made, if any, (iv) fourth, to any escrows, impounds or other amounts which may then be due and payable under the Loan Documents, (v) fifth, to any other amounts then due the Bank hereunder or under any of the Loan Documents, and (vi) last, to the unpaid principal balance of the Note. After an Event of Default has occurred and is continuing, payments shall be applied as required under applicable law and in the absence of any such requirements, payments may be applied to amounts owed hereunder and under the Loan Documents in such order as the Bank shall determine, in its sole discretion.

(d) All payments of principal (including prepayments) and accrued interest shall be paid by wire transfer or check in United States Dollars, to the Bank at such place as the Bank may from time to time direct, and in the absence of such direction, then at the offices of the Bank at 2600 West Big Beaver Road, Troy, Michigan 48084. Payment made by check shall be deemed paid on the date the Bank receives such check; provided, however, that if such check is subsequently returned to the Bank unpaid due to insufficient funds or otherwise, the payment shall not be deemed to have been made and shall continue to bear interest until collected. Notwithstanding the foregoing, the final payment due under the Note must be made by wire transfer or other immediately available funds.

(e) If any payment of interest or principal due hereunder is not made within five days after such payment is due in accordance with the terms hereof, then, in addition to the payment of the amount so due, Borrower shall pay to the Bank a “late charge” of five cents for each whole dollar so overdue to defray part of the cost of collection and handling such late payment. Borrower agrees that the damages to be sustained by the holder hereof for the detriment caused by any late payment are extremely difficult and impractical to ascertain, and that the amount of five cents for each one dollar due is a reasonable estimate of such damages, does not constitute interest, and is not a penalty.

(f) LIBOR Loans and Base Rate Loans may be prepaid either in whole or in part at any time and from time to time without penalty or premium upon three (3) days prior notice to the

Bank; provided, however, that if a LIBOR Loan is prepaid on a date other than the last day of the applicable Interest Period, it shall be accompanied by any amounts due under Section 4.11 hereof.

#### 4.3 **Types of Loans; Setting and Notice of LIBOR Rates.**

(a) The Loan shall be divided into tranches which are either a Base Rate Loan or a LIBOR Loan (each a “type” of Loan), as Borrower shall specify in such manner as designated by the Bank. Base Rate Loans and LIBOR Loans may be outstanding at the same time, provided that not more than five (5) different tranches of LIBOR Loans shall be outstanding at any one time. Each LIBOR Loan shall be designated by the Borrower by any written, verbal, electronic, telephonic or telecopy request, in form acceptable to the Bank, which the Bank in good faith believes to emanate from a properly authorized representative of the Borrower, whether or not that is in fact the case. Each such request shall be effective upon receipt by the Bank, shall be irrevocable, and shall specify the date, amount and the initial Interest Period therefor. The final Interest Period for any LIBOR Loan must be such that its expiration occurs on or before the Maturity Date. A request to designate a LIBOR Loan must be (i) received by the Bank no later than 11:00 a.m. Troy, Michigan time, three days before the day it is to be designated a LIBOR Loan, and (ii) in an amount equal to Five Hundred Thousand and 00/100 Dollars (\$500,000.00) or a higher integral multiple of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00). The Borrower does hereby irrevocably confirm, ratify and approve all such designations and does hereby indemnify the Bank against losses and expenses (including court costs, attorneys’ and paralegals’ fees) and shall hold the Bank harmless with respect thereto.

(b) The applicable LIBOR Rate for each Interest Period shall be determined by the Bank, and notice thereof shall be given by the Bank promptly to Borrower. The Bank shall, upon written request of Borrower, deliver to Borrower a statement showing the computations used by the Bank in determining any applicable LIBOR Rate hereunder.

#### 4.4 **Conversion and Continuation Procedures.**

(a) Each LIBOR Loan shall automatically renew for the Interest Period specified in the initial request received by the Bank for the LIBOR Loan, at the then current LIBOR Rate unless the Borrower, pursuant to a subsequent written notice received by the Bank, shall elect a different Interest Period. Upon receipt by the Bank of such subsequent notice, the Borrower may, subject to the terms and conditions of this Agreement, elect, as of the last day of the applicable Interest Period, to continue any LIBOR Loan having an Interest Period expiring on such day for a different Interest Period. Such notice shall be given before 11:00 a.m., Troy, Michigan time, at least three Business Days prior to the last day of the applicable Interest Period, specifying: (i) the aggregate amount of LIBOR Loans to be converted to a different Interest Period; and (ii) the duration of the requested Interest Period.

(b) The Borrower may not elect an Interest Period, and an Interest Period for a LIBOR Loan shall not automatically renew, with respect to any principal amount which is scheduled to be repaid before the last day of the applicable Interest Period, and any such amounts shall be converted to Base Rate Loans until repaid.

#### 4.5 **Computation of Interest and Fees.**

(a) Fees and interest shall be calculated on the basis of a 360 day year for the actual days elapsed in any portion of a month in which interest is due. Interest on Base Rate Loans and LIBOR Loans shall not exceed the maximum amount permitted under applicable law. Any

change in the interest rate on a Loan resulting from a change in the Base Rate, or the Eurocurrency Reserve Percentage, shall become effective as of the opening of business on the day on which such change becomes effective. The Bank shall as soon as practicable notify Borrower of each determination of a LIBOR Rate.

(b) Each determination of an interest rate by the Bank pursuant to any provision of this Agreement shall be conclusive and binding upon the parties hereto in the absence of manifest error.

4.6 **Inability to Determine Interest Rate.** If prior to the first day of any Interest Period, (a) the Bank shall have determined (which determination shall be conclusive, absent manifest error) that (i) the making or maintenance of any LIBOR Loan would violate any applicable law, rule, regulation or directive, whether or not having the force of law, (ii) United States dollar deposits in the principal amount, and for periods equal to the Interest Period for funding any LIBOR Loan are not available in the London Interbank Eurodollar market in the ordinary course of business, or (iii) by reason of circumstances affecting the London Interbank Eurodollar market, adequate and fair means do not exist for ascertaining the LIBOR Rate to be applicable to the relevant LIBOR Loan, or (b) the Bank shall have determined that the LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Bank (as conclusively certified by the Bank) of making or maintaining the affected Loans during such Interest Period, the Bank shall give telecopy or telephonic notice thereof to Borrower as soon as practicable thereafter and, so long as such circumstances shall continue, (A) the Bank shall not be under any obligation to make any LIBOR Loans or convert any Base Rate Loans into LIBOR Loans, and (B) on the last day of the current Interest Period for each LIBOR Loan, such Loan, unless then repaid in full, shall automatically convert to a Base Rate Loan, without further demand, presentment, protest or notice of any kind, all of which are hereby waived by the Borrower.

4.7 **Payments.** All payments (including prepayments) to be made by Borrower hereunder and under the Note, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 1:00 P.M., Troy, Michigan time, on the due date thereof. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

4.8 **Illegality.** Notwithstanding any other provision herein, if the Bank shall have reasonably determined that any Regulatory Change shall make it unlawful for the Bank to make or maintain LIBOR Loans as contemplated by this Agreement, the Bank shall give notice of such determination to Borrower and (A) the commitment of the Bank hereunder to make LIBOR Loans, continue LIBOR Loans as such and convert Base Rate Loans to LIBOR Loans shall forthwith be canceled and (B) the LIBOR Loans then outstanding, if any, shall be converted automatically to Base Rate Loans on the respective last days of the then current Interest Periods with respect to such LIBOR Loans or within such earlier period as required by law. If any such conversion of a LIBOR Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, Borrower shall pay to the Bank such amounts, if any, as may be required pursuant to subsection 4.11.

#### 4.9 **Legal Requirements.**

(a) If any Regulatory Change made subsequent to the date hereof shall:

(i) subject the Bank to any tax of any kind whatsoever with respect to this Agreement, the Note or any LIBOR Loan made by it, or change the basis of taxation of

payments to the Bank in respect thereof (except for Non-Excluded Taxes covered by subsection 4.10 and changes in the rate of tax on the overall net income of the Bank);

(ii) impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of the Bank which is not otherwise included in the determination of the LIBOR Rate; or

(iii) impose on the Bank any other condition regarding the LIBOR Loans or the Bank's funding thereof;

and the result of any of the foregoing is to increase the cost to the Bank, by an amount which the Bank in good faith deems to be material, of making, converting into, continuing or maintaining LIBOR Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, Borrower shall promptly pay the Bank, upon its demand, any additional amounts necessary to compensate the Bank for such increased cost or reduced amount receivable.

(b) If the Bank shall have determined that any Regulatory Change regarding capital adequacy or in the interpretation or application thereof or compliance by the Bank or any corporation controlling the Bank with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority, in any such case made subsequent to the date hereof, does or shall have the effect of reducing the rate of return on the Bank's or such corporation's capital as a consequence of its obligations hereunder to a level below that which the Bank or such corporation could have achieved but for such change or compliance (taking into consideration the Bank's or such corporation's policies with respect to capital adequacy) by an amount deemed by the Bank to be material, then from time to time, after submission by the Bank to Borrower (with a copy to the Bank) of a written request therefor, Borrower shall pay to the Bank such additional amount or amounts as will compensate the Bank for such reduction.

(c) If the Bank becomes entitled to claim any additional amounts pursuant to this subsection, it shall promptly notify Borrower of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this subsection submitted by the Bank to Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Note and all other amounts payable hereunder.

(d) Notwithstanding anything to the contrary contained in this subsection, Borrower shall not be required to pay any additional amounts to the Bank pursuant to this subsection to the extent such additional amounts result from the Bank's negligence.

4.10 **Taxes.** All payments made by Borrower under this Agreement and the Note shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Bank as a result of a present or former connection between the Bank and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Bank having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or the Note). If any such non-excluded taxes,

levies, imposts, duties, charges, fees, deductions or withholdings (“Non-Excluded Taxes”) are required to be withheld from any amounts payable to the Bank hereunder or under the Note, the amounts so payable to the Bank shall be increased to the extent necessary to yield to the Bank (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that Borrower shall not be required to increase any such amounts payable to the Bank that is not organized under the laws of the United States of America or a state thereof if the Bank fails to comply with the requirements of paragraph (b) of this subsection. Whenever any Non-Excluded Taxes are payable by Borrower, as promptly as possible thereafter Borrower shall send to the Bank a certified copy of an original official receipt received by Borrower showing payment thereof. If Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Bank the required receipts or other required documentary evidence, Borrower shall indemnify the Bank for any incremental taxes, interest or penalties that may become payable by the Bank as a result of any such failures. The agreements in this subsection shall survive the termination of this Agreement and the payment of the Note and all other amounts payable hereunder. Notwithstanding anything to the contrary contained in this subsection, Borrower shall not be required to pay any additional amounts to the Bank pursuant to this subsection to the extent such additional amounts result from the Bank’s negligence.

4.11 **LIBOR Loan Indemnification**. Borrower agrees to indemnify the Bank and to hold the Bank harmless from any loss or expense which the Bank may sustain or incur as a consequence of (a) default by Borrower in making a borrowing of, conversion into or continuation of LIBOR Loans after Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by Borrower in making any prepayment after Borrower has given a notice thereof in accordance with the provisions of this Agreement, or (c) the making of a prepayment of LIBOR Loans on a day which is not the last day of an Interest Period with respect thereto. Such indemnified amount shall include any and all costs, expenses, penalties and charges incurred by the Bank as a result thereof, plus an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or borrowed, converted or continued, for the period from the time of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of the failure to borrow, convert or continue, the Interest Period which would have commenced on the date of such failure) in each case the applicable rate of interest for such Loans provided herein (excluding, however, the Applicable Margin included thereon, if any) over (ii) the amount of interest (as reasonably defined by the Bank) which would have accrued to the Bank on such amount by placing such amount on deposit for a comparable period with leading banks in the certificate of deposit market, the eurodollar deposit market, or other appropriate money market selected by the Bank. This covenant shall survive the termination of this Agreement and the payment of the Note and all other amounts due hereunder. Amounts payable pursuant to this subsection shall be paid to the Bank, upon the request of the Bank and a determination of the Bank as to the amounts payable pursuant to this subsection shall be conclusive absent manifest error, based upon the assumption that the Bank funded its loan commitment for LIBOR Loans in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods which the Bank deems appropriate and practical, provided, however, that the Bank is not obligated to accept a deposit in the London Interbank Eurodollar market in order to charge interest on a LIBOR Loan at the LIBOR Rate.

## **ARTICLE 5**

### **LOAN DOCUMENTS**

5.1 **Loan Documents**. As a condition precedent to the Loan Closing, Borrower agrees that it will deliver the following Loan Documents to the Bank at the Loan Closing, all of which must be satisfactory to the Bank and the Bank’s counsel in form, substance and execution:

- (a) **Promissory Note.** A promissory note dated the date hereof executed by Borrower and made payable to the order of the Bank in the amount of the Loan Amount in the form of Exhibit "B" attached hereto.
- (b) **Mortgages.** Mortgages dated as of even date herewith (the "Mortgages"), duly executed by Borrower to and for the benefit of the Bank, granting a first lien on the Property to the Bank to secure the Note, the Loan and all obligations of Borrower in connection therewith.
- (c) **Assignment of Rents and Leases.** Assignments of Rents and Leases dated as of even date herewith (the "Assignments of Rents"), duly executed by Borrower to and for the benefit of the Bank, collaterally assigning to the Bank all of Borrower's rents, leases and profits of the Property as security for the Note.
- (d) **Financing Statements.** Uniform Commercial Code Financing Statements as required by the Bank to perfect all security interests granted by the Mortgages.
- (e) **Environmental Indemnity.** Environmental Indemnity Agreements dated as of even date herewith (the "Environmental Indemnity"), jointly and severally executed by Borrower and Guarantor to and for the benefit of the Bank whereby Borrower and Guarantor jointly and severally indemnify the Bank for any loss, cost, damage or expense incurred as a result of environmental matters at the Property.
- (i) **Guaranty.** A Continuing Guaranty (the "Guaranty") executed by Guarantor to and for the benefit of the Bank, guaranteeing to the Bank payment of the principal balance outstanding under the Loan at maturity (whether upon demand, at stated maturity or at maturity accelerated by reason of the Borrower's default under the terms of any of the Loan Documents), plus interest accrued and unpaid with respect to the Loan and all other amounts payable in connection therewith, plus all indebtedness and liability of the Borrower to the Bank under any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect against fluctuations in interest rates, currency exchange rates or commodity prices in connection with the Loan.
- (f) **Other Loan Documents.** Such other documents and instruments as further security for the Loan as the Bank may reasonably require.

## ARTICLE 6

### CONDITIONS TO LOAN CLOSING

6.1 **Conditions to Loan Closing.** As a condition precedent to the Loan Closing, Borrower shall furnish the following to the Bank at least five (5) days prior to the Loan Closing or at such time as is set forth below, all of which must be strictly satisfactory to the Bank and the Bank's counsel in form, content and execution:

- (a) **Title Insurance Policy.** At the Loan Closing, an ALTA Loan Policy-1997 issued on the date of the Loan Closing by the Title Company to the Bank in the full amount of the Loan, insuring the Mortgages to be valid first, prior and paramount liens upon the fee title to the Property subject only to the Permitted Exceptions (the "Title Insurance Policy"). The Title Insurance Policy must contain the following endorsements: (i) ALTA Zoning Endorsement Form 3.1; (ii) Comprehensive Endorsement; (iii) location endorsement; (iv) access endorsement; (v) if a Property consists of more than one subparcel, contiguity endorsement; (vi) environmental lien

endorsement; (vii) creditor's rights endorsement; (viii) variable rate endorsements, if applicable; and (ix) such other endorsements as the Bank may require. If required by the Bank, Borrower shall procure reinsurance with companies and in amounts satisfactory to the Bank.

(b) **Survey.** Copies of Borrower's existing surveys of each Property together with affidavits of the Borrowers satisfactory to the Title Company and the Bank to the effect that there have been no material changes to the Property since the date of each survey, except as disclosed in such affidavits.

(c) **Insurance Policies.** Borrower shall, during the term of this Agreement, procure at its expense and keep in force the insurance coverages required by the Mortgages. In addition, all insurance shall be in form, content and amounts approved by the Bank and written by an insurance company or companies licensed to do business in the state in which the Property is located and domiciled in the United States or a governmental agency or instrumentality approved by the Bank. The policies for such insurance shall have attached thereto standard mortgagee clauses in favor of and permitting the Bank to collect any and all proceeds payable thereunder and shall include a thirty (30) day (except for nonpayment of premium, in which case, a ten (10) day) notice of cancellation clause in favor of the Bank. Duplicate policies or certificates of insurance shall be delivered to and held by the Bank as further security for the payment of the Note and any other obligations arising under the Loan Documents, with evidence of renewal coverage delivered to the Bank at least thirty (30) days before the expiration date of any policy.

(d) **Environmental Report.** A written report (the "Environmental Report") prepared at Borrower's sole cost and expense by an independent professional environmental consultant approved by the Bank in its sole and absolute discretion. The Environmental Report shall be subject to the Bank's approval in its sole and absolute discretion. If the Environmental Report reveals contamination or conditions warranting further investigation in order to establish baseline data, the Bank may require, in its sole and absolute discretion, a written report (also referred to herein as the "Environmental Report") based on additional testing and investigation in order to define the source and extent of the contamination or to establish baseline data, as well as to provide relevant detailed information on the area's geological and hydrogeological conditions. Any additional Environmental Report prepared pursuant to this requirement shall be subject to the Bank's approval, in its sole and absolute discretion.

(e) **Appraisals.** Appraisals addressed and satisfactory to the Bank, prepared by a certified or licensed appraiser who is approved by the Bank. The appraisals must show appraised values of the Property such that the ratio of the Loan Amount to the total of the appraised values of the Property shall be no more than seventy five percent (75.00%).

(f) **Documents of Record.** Copies of all covenants, conditions, restrictions, easements and matters of record which affect the Property.

(g) **Searches.** A report from the appropriate filing officers of the state and county in which the Property is located, indicating that no judgments, tax or other liens, security interests, leases of personalty, financing statements or other encumbrances (other than Permitted Exceptions and liens and security interests in favor of the Bank) are of record or on file encumbering any portion of the Property, and that there are no judgments, tax liens, pending litigation or bankruptcy actions outstanding with respect to Borrower and the Guarantor.



(h) **Borrower's Attorney's Opinion.** An opinion of Borrower's counsel addressing such issues as the Bank may request, including the following propositions and questions of law that:

(i) Borrower, its manager or general partner, as applicable, and, if Guarantor is not an individual, Guarantor, are duly organized, validly existing and in good standing to do business in the state of their respective organization and in the State;

(ii) Borrower has all necessary legal right, power and authority to conduct its business, to operate and use the Property and to enter into and perform its obligations under this Agreement and the Loan Documents;

(iii) all necessary corporate, shareholder, membership, partnership approvals, resolutions and directions have been obtained for the operation and use of the Property and the execution of this Agreement and the Loan Documents;

(iv) the execution and delivery of this Agreement and the Loan Documents, the performance thereunder by Borrower will comply with all applicable law in all material respects and will not violate with the instruments under which Borrower is organized or any applicable contracts or agreements; and

(v) the Loan Documents and this Agreement have been duly and validly executed and delivered, are enforceable in accordance with their respective terms (subject to bankruptcy laws and laws pertaining to the exercise of creditors' rights generally) and are subject to no defenses of any kind.

(i) **Organizational Documents.** If Borrower is a partnership (and if any general partner of Borrower is a partnership), a copy of the partnership agreement creating Borrower (and such general partner) certified by a general partner of such partnership as being a true and correct copy and as otherwise unmodified and in full force and effect, together with a notarized incumbency certificate showing specimen signatures for all partners of Borrower executing any Loan Documents. In addition, if Borrower is a limited partnership (or if any general partner of Borrower is a limited partnership), a certified copy of the certificate of limited partnership (and amendments thereto) of such partnership. If Borrower is a corporation (or if any general partner of Borrower is a corporation), a current Certificate of Good Standing for Borrower (or that partner) from the state of incorporation and from the State, a certified copy of the Articles of Incorporation and Bylaws, including all amendments thereto, for Borrower (or that partner) and a notarized incumbency certificate showing specimen signatures for all officers of Borrower (or that partner) executing any Loan Documents, and certified copies of director and shareholder resolutions authorizing execution and delivery of the Loan Documents. If Borrower is a limited liability company (or if any manager or general partner of Borrower is a limited liability company), a copy of the operating agreement creating Borrower (or such manager or partner), certified by the manager or the controlling member of such entity as being a true and correct copy and as otherwise unmodified and in full force and effect, together with a current Certificate of Good Standing for Borrower (and its manager or general partner) from the state of incorporation and the State, a certified copy of the Articles of Organization, including all amendments thereto, for Borrower (and its manager or general partner), a certificate from the manager or controlling member providing that no certificate of dissolution has been filed, a notarized incumbency certificate showing specimen signatures for all of the members of Borrower (and its manager or general partner) executing any Loan Documents and, if necessary, certified copies of resolutions from the members authorizing execution and delivery of the Loan Documents. Borrower shall

also provide the appropriate organizational documents for Guarantor that is not an individual, together with proper authorizing resolutions, if applicable.

(j) **Rent Rolls.** Certified copies of the rent rolls for the Property listing the tenants in each Property, the rent payable by each tenant, the date of commencement and expiration of each lease in the Property, and such other information as the Bank may require.

(k) **Real Estate Taxes.** Copies of the most recent real estate tax bills for the Property and evidence satisfactory to the Bank that the Property is separately assessed for real estate taxing purposes.

(l) **Broker.** Evidence satisfactory to the Bank that all brokers' commissions or fees due with respect to the Loan or the Property have been paid in full in cash.

(m) **Additional Documents.** Such other papers and documents regarding Borrower or the Property as the Bank may require.

6.2 **Termination of Agreement.** Borrower agrees that all conditions precedent to the Loan Closing will be complied with on or prior to the Loan Closing Date. If all of the conditions precedent to the Loan Closing hereunder shall not have been performed on or before the Loan Closing Date, the Bank may, at its option at any time thereafter and prior to the Loan Closing, terminate this Agreement and all of its obligations hereunder by giving a written notice of termination from the Bank to Borrower. In the event of such termination, Borrower shall pay all Loan Expenses which have accrued or been charged as of the Loan Closing Date.

## ARTICLE 7

### DISBURSEMENT

7.1 **Conditions Precedent to Disbursement of Loan Proceeds.** The Loan Closing shall be made at such time as all of the conditions and requirements of this Agreement required to be performed by Borrower or other parties prior to the Loan Closing have been satisfied or performed, unless the same shall have been waived in writing by the Bank; but in no event shall the Loan Closing occur later than the Loan Closing Date. At the Loan Closing, the Bank shall disburse funds necessary to pay any Loan Expenses then due, unless paid by Borrower. The Loan Proceeds shall not be disbursed by the Bank to Borrower unless:

(a) the Borrower shall have paid the Commitment Fee to the Bank;

(b) all conditions precedent to that disbursement under the Loan Documents have been satisfied;

(c) no Event of Default has occurred under this Agreement or under any Loan Document, and no event, circumstance or condition has occurred or exists which, with the passage of time or the giving of notice, would constitute a Event of Default under this Agreement or under the Loan Documents;

(d) no litigation or proceedings are pending or threatened (including proceedings under Title 11 of the United States Code) against Borrower, Guarantor or the Property, which litigation or proceedings, in the sole and exclusive judgment of the Bank, is material; and

(e) all representations and warranties made by Borrower to the Bank herein and otherwise in connection with the Loan are accurate in all material respects.

7.2 **Expenses and Advances Secured by Mortgages.** Any and all advances or payments made by the Bank hereunder, from time to time, and any amounts expended by the Bank pursuant to this Agreement and all other Loan Expenses, as and when advanced or incurred, shall be deemed to have been disbursed as part of the Loan and be and become secured and guaranteed by the Loan Documents to the same extent and effect as if the terms and provisions of this Agreement were set forth therein, whether or not the aggregate of such indebtedness shall exceed the face amount of the Note.

7.3 **Acquiescence not a Waiver.** To the extent that the Bank may have acquiesced (whether intentionally or unintentionally) in the Borrower's failure to comply with and satisfy any condition precedent to the Loan Closing or to the disbursement of the Loan Proceeds, such acquiescence shall not constitute a waiver by the Bank of any condition precedent set forth in this Agreement, and the Bank at any time thereafter may require the Borrower to comply with and satisfy all conditions and requirements of this Agreement.

7.4 **The Bank's Action for the Bank's Own Protection Only.** The authority herein conferred upon the Bank and any action taken by the Bank or its agents or employees will be taken by the Bank and by its agents or employees for their own protection only, and neither the Bank nor its agents or employees shall be deemed to have assumed any responsibility to Borrower or Guarantor or any other person or entity with respect to any such action herein authorized or taken by them.

## **ARTICLE 8**

### **FURTHER AGREEMENTS OF BORROWER**

8.1 **Furnishing Information.** Borrower will:

(a) Furnish to the Bank quarterly management prepared operating statements for each Property, including consolidated balance sheets and income statements, prepared in accordance with GAAP, for the most recently completed quarter of each fiscal year and fiscal year to date, within 45 days after the end of each quarter of each fiscal year, beginning with the period ending September, 2008;

(b) Promptly notify the Bank of any condition or event which constitutes (or which, with the giving of notice or lapse of time, or both, would constitute) an Event of Default, and of any material adverse change in the financial condition of Borrower or Guarantor;

(c) Maintain a standard and modern system of accounting in accordance with generally accepted accounting principles, consistently applied;

(d) Permit the Bank or any of its agents or representatives to have access to and to examine and copy and make abstracts from all books and records regarding the Property at any time or times hereafter during business hours.

8.2 **Debt Service Coverage Ratio.** Borrower will maintain a Debt Service Coverage Ratio, as of the end of each fiscal year ending on or after December 31, 2008, of not less than 1.25 to 1.00.

8.3 **Adjusted EBITDA to Fixed Charges Ratio.** The Guarantor shall not permit the ratio of Adjusted EBITDA to Fixed Charges for any Computation Period to be less than 1.45 to 1.00.

8.4 **Total Leverage Ratio.** The Guarantor shall not permit the Total Leverage Ratio as of the last day of any Computation Period to be greater than 0.70 to 1.00.

8.5 **Compliance with Covenants; Prohibition Against Additional Recordings.** Borrower will comply in all material respects with all legally enforceable recorded covenants affecting the Property. Borrower will not record or permit to be recorded any document, instrument, agreement or other writing against the Property without the prior written consent of the Bank.

8.6 **Distributions.** Borrower shall not make any distributions to its members, partners or shareholders, as the case may be, of any revenue received by or on behalf of Borrower from the ownership and operation of the Property unless or until the Loan and all interest accrued thereon, the Loan Expenses and other amounts due the Bank hereunder have been paid in full.

8.7 **Further Assurance.** Borrower, on request of the Bank, from time to time, will execute and deliver such documents as may be necessary to perfect and maintain perfected as valid liens upon the Property and the personal property located thereon, the liens granted to the Bank pursuant to this Agreement or any of the other loan Documents, and to fully consummate the transactions contemplated by this Agreement.

## ARTICLE 9

### CASUALTIES AND CONDEMNATION

9.1 **Application of Insurance Proceeds and Condemnation Awards.** The proceeds of any insurance policies collected or claims as a result of any loss or damage to any portion of the Property resulting from fire, vandalism, malicious mischief or any other casualty or physical harm and any awards, judgments or claims resulting from the exercise of the power of condemnation or eminent domain shall be applied to reduce the outstanding balance of the Loan or to rebuild and restore the Property, as provided in the Mortgages. Borrower shall not settle and adjust any claims under policies of insurance without the Bank's prior written consent, except as provided in the Mortgages.

## ARTICLE 10

### PARTICIPATIONS, SALE AND ENCUMBRANCES

10.1 **Bank Participations.** The Bank may at any time sell to one or more commercial banks or other financial institutions participating interests in the Loan, the Note, or any other interest of the Bank hereunder (any Person purchasing any such participating interest being herein called a "Participant"). In the event of a sale by the Bank of a participating interest to a Participant, (i) the Bank shall remain the holder of the Note for all purposes of this Agreement, (ii) Borrower shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations hereunder, and (iii) all amounts payable by Borrower shall be determined as if the Bank had not sold such participation and shall be paid directly to the Bank. Borrower agrees that if amounts outstanding under this Agreement and the Note are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement or the Note; provided that such right of setoff shall be subject to the obligation of each Participant to share with the Bank, and the Bank agrees to share with each Participant, as provided herein. Borrower also agrees that each Participant shall be entitled to the benefits of Article 4 hereof as if it were the Bank (provided that no Participant shall receive any greater compensation pursuant to such Article 4 than would have been paid to the participating Bank if no participation had been sold).

10.2 **Prohibition of Assignments and Encumbrances by Borrower.** Except as expressly provided in the Mortgages, Borrower, without the prior written consent of the Bank, shall not create, effect, consent to, attempt, contract for, agree to make, suffer or permit any Prohibited Transfer (as defined in the Mortgages).

10.3 **Special Provision Regarding Expansion Property.** The Bank acknowledges that certain portions of the Property, commonly known as Apple Creek Manufactured Housing Community, are currently undeveloped and vacant (such undeveloped and vacant portions, individually and collectively, the “Expansion Property”). Notwithstanding any provisions of this Agreement to the contrary, Borrower shall be permitted to release an Expansion Property from the lien of the applicable Mortgage without the payment of a release price upon satisfaction of each of the following conditions:

- (a) The Bank shall have approved the legal description of the relevant Property remaining subject to the lien of the Mortgage after the release of the Expansion Property;
- (b) Borrower shall have transferred the Expansion Property into a separate tax parcel (in connection with which the Bank shall cooperate and reasonably approve such transfer) and the Property remaining subject to the lien of the Mortgage shall have a separate tax identification number;
- (c) If necessary, Borrower shall have subdivided or replatted the Property, as required by the jurisdiction in which the Property is located, such that the Property remaining subject to the lien of the Mortgage after the release of the Expansion Property shall be a separate parcel, on which the Bank can exercise all rights and remedies afforded in this Agreement and the Mortgage, including conveying the Property upon foreclosure;
- (d) Borrower shall have recorded any easements, in form and substance required by the Bank, benefitting the Property after the release of the Expansion Property, including, but not limited to, easements granting use and/or access to amenities on the Expansion Property, utility easements for utilities located or to be located on the Expansion Property benefitting the remaining Property, and parking or access easements;
- (e) The Expansion Property shall be deeded to an entity that is not a Borrower under this Agreement at the time of such release;
- (f) Borrower shall amend the existing Mortgage for such Property to reflect the new legal description of the Property, which legal description shall include any beneficial easements;
- (g) Borrower shall cause the existing title policy for such Property to be amended to reflect the new legal description of the Property, which legal description shall include any beneficial easements as insured parcels;
- (h) Borrower covenants that the Expansion Property shall be developed and operated in a manner compatible with the use of the remaining Property as a manufactured housing community; and
- (i) Borrower shall pay all of the Bank’s reasonable costs and expenses, including legal fees and expenses, in connection with the release of any Expansion Property.

ARTICLE 11

EVENTS OF DEFAULT BY BORROWER

11.1 **Event of Default Defined.** The occurrence of any one or more of the following shall constitute an Event of Default, and any Event of Default which may occur hereunder shall constitute an Event of Default under each of the other Loan Documents:

(a) Borrower fails to pay (i) any installment of principal or interest payable pursuant to the Note on the date when due, or (ii) any other amount payable to the Bank under the Note, this Agreement or any of the other Loan Documents within five (5) days after the date when any such payment is due in accordance with the terms hereof or thereof;

(b) Borrower 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 Borrower under the Note, this Agreement or any of the other Loan Documents not otherwise described in Sections 11.1(a), or (c) through (p); provided, however, that if the Note, this Agreement or other applicable Loan Document does not provide for a specific grace, notice or cure period, and further provided that if such failure by its nature can be cured, then so long as the continued operation and safety of the Property, and the priority, validity and enforceability of the liens created by the Mortgages or any of the other Loan Documents and the value of the Property are not impaired, threatened or jeopardized, Borrower shall have a period (the "Cure Period") of thirty (30) days after Borrower obtains actual knowledge of such failure or receives written notice of such failure to cure the same and an Event of Default shall not be deemed to exist during the Cure Period;

(c) The existence of any inaccuracy or untruth in any material respect in any representation or warranty contained in this Agreement or any of the other Loan Documents or of any statement or certification as to facts delivered to the Bank by Borrower or Guarantor;

(d) The occurrence of a Prohibited Transfer;

(e) The existence of any collusion, fraud, dishonesty or bad faith by or with the acquiescence of Borrower or Guarantor which in any way relates to or affects the Loan or the Property;

(f) The occurrence of a material adverse change in the financial condition of Borrower or Guarantor;

(g) Borrower or Guarantor (i) files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal, state, or other statute or law, or (ii) seeks or consents to or acquiesces in the appointment of any trustee, receiver or similar officer of Borrower or of all or any substantial part of the property of Borrower or Guarantor or any of the Property; or all or a substantial part of the assets of Borrower or Guarantor are attached, seized, subjected to a writ or distress warrant or are levied upon unless the same is released or located within thirty (30) days;

(h) The commencement of any involuntary petition in bankruptcy against Borrower or Guarantor or the institution against Borrower or Guarantor of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or

future federal, state or other statute or law, or the appointment of a receiver, trustee or similar officer for all or any substantial part of the property of Borrower or Guarantor, which shall remain undismissed or undischarged for a period of sixty (60) days;

- (i) The dissolution, termination or merger of Borrower or Guarantor; or
- (j) The occurrence of an “Event of Default” under the Note, the Mortgages or any of the other Loan Documents.

## **ARTICLE 12**

### **BANK’S REMEDIES UPON EVENT OF DEFAULT**

12.1 **Remedies Conferred upon the Bank.** Upon the occurrence of any Event of Default, the Bank, in addition to all remedies conferred upon the Bank by law and by the terms of the Note, the Mortgages and the other Loan Documents, may pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any others:

- (a) Declare the Note to be due and payable forthwith, without presentment, demand, protest or other notice of any kind, all of which Borrower hereby expressly waives, and
- (b) Exercise or pursue any other remedy or cause of action permitted at law or in equity or under this Agreement or any other Loan Document, including, but not limited to, foreclosure of the Mortgages and enforcement of all Loan Documents.

12.2 **Setoff Rights.** In addition to any rights of setoff that the Bank may have under applicable law, the Bank, without notice of any kind to Borrower, may appropriate and apply to the payment of the Note or of any sums due under this Agreement any and all balances, deposits, credits, accounts, certificates of deposit, instruments or money of Borrower then or thereafter in the possession of the Bank or any Participant of the Bank.

12.3 **Right of Bank to Make Advances to Cure Event of Defaults; Obligatory Advances.** If Borrower shall fail to perform any of its covenants or agreements herein or in any of the other Loan Documents contained, the Bank may (but shall not be required to) perform any of such covenants and agreements, and any amounts expended by the Bank in so doing, and any amounts expended by the Bank pursuant to Section 12.1 hereof and any amounts advanced by the Bank pursuant to this Agreement shall be deemed advanced by the Bank under an obligation to do so regardless of the identity of the person or persons to whom said funds are disbursed. Amounts advanced by the Bank to protect its security for the Loan are obligatory advances hereunder and shall constitute additional indebtedness payable on demand and evidenced and secured by the Loan Documents.

12.4 **Attorneys’ Fees.** Borrower will pay the Bank’s reasonable attorneys’ fees and costs in connection with the negotiation, preparation, administration and enforcement of this Agreement and the other Loan Documents, which shall also include reasonable attorneys’ fees and time charges of attorneys who may be employees of the Bank or any affiliate of the Bank; without limiting the generality of the foregoing, if at any time or times hereafter the Bank employs counsel for advice or other representation with respect to any matter concerning Borrower, this Agreement, the Property or the Loan Documents or if the Bank employ one or more counsel to protect, collect, lease, sell, take possession of, or liquidate any of the Property, or to attempt to enforce or protect any security interest or lien or other right in any of the Property or under any of the Loan Documents, or to enforce any rights of the Bank or obligations of

Borrower or any other person, firm or corporation which may be obligated to the Bank by virtue of this Agreement or under any of the Loan Documents or any other agreement, instrument or document, heretofore or hereafter delivered to the Bank in furtherance hereof, then in any such event, all of the attorneys' fees arising from such services, and any expenses, costs and charges relating thereto, shall constitute an additional indebtedness owing by Borrower to the Bank payable on demand and evidenced and secured by the Loan Documents.

12.5 **No Waiver.** No failure by the Bank to exercise, or delay by the Bank in exercising, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement and in the Loan Documents are cumulative and not exclusive of each other or of any right or remedy provided at law or in equity. No notice to or demand on Borrower in any case, in itself, shall entitle Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

12.6 **Default Rate.** From and after the date of any Event of Default until the date on which such Event of Default is cured or waived, interest on funds outstanding hereunder shall accrue at the Default Rate and be payable on demand. The failure of the Bank to charge interest at the Default Rate shall not be evidence of the absence of an Event of Default or waiver of an Event of Default by the Bank.

### **ARTICLE 13**

#### **MISCELLANEOUS**

13.1 **Time is of the Essence.** Borrower agrees that time is of the essence in all of its covenants under this Agreement.

13.2 **The Bank's Determination of Facts.** The Bank at all times shall be free to establish independently to its satisfaction and in its sole and absolute discretion the existence or nonexistence of any fact or facts, the existence or nonexistence of which is a condition of this Agreement.

13.3 **Prior Agreements.** This Agreement and the other Loan Documents, and any other documents or instruments executed pursuant thereto or contemplated thereby, shall represent the entire, integrated agreement between the parties hereto with respect to the Loan, and shall supersede all prior negotiations, representations or agreements pertaining thereto, either oral or written. This Agreement and any provision hereof shall not be modified, amended, waived or discharged in any manner other than by a written amendment executed by all parties to this Agreement.

13.4 **Disclaimer by Bank.** Borrower is not and shall not be an agent of the Bank for any purposes, and the Bank is not a venture partner with Borrower in any manner whatsoever. Approvals granted by the Bank for any matters covered under this Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or, if not in writing, such approvals shall be solely for the benefit of Borrower.

13.5 **Borrower Indemnification.** Borrower agrees to defend (with counsel satisfactory to the Bank), protect, indemnify and hold harmless the Bank, any parent corporation, affiliated corporation or subsidiary of the Bank, and each of its officers, directors, employees, attorneys and agents (each, an "**Indemnified Party**") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and distributions of any kind or nature (including, without limitation, the disbursements and the reasonable fees of counsel for each Indemnified Party



thereto, which shall also include, without limitation, reasonable attorneys' fees and time charges of attorneys who may be employees of the Bank, or any parent or affiliated corporation of the Bank), which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, state or local laws or regulations, including, without limitation, securities, environmental laws and commercial laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any of the Loan Documents, or any act, event or transaction related or attendant thereto, the preparation, execution and delivery of this Agreement, the Note and the Loan Documents, the making or issuance and management of the Loan, the use or intended use of the proceeds of the Loan and the enforcement of the Bank's rights and remedies under this Agreement, the Note, the Loan Documents, any other instruments and documents delivered hereunder or thereunder; provided, however, that Borrower shall not have any obligation hereunder to any Indemnified Party with respect to matters (a) caused by or resulting from the willful misconduct or gross negligence of such Indemnified Party, (b) related to the sale of participating interests in the Loan pursuant to Section 10.1 hereof. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall satisfy such undertaking to the maximum extent permitted by applicable law. Any liability, obligation, loss, damage, penalty, cost or expense covered by this indemnity shall be paid to such Indemnified Party on demand, and failing prompt payment, together with interest thereon at the Default Rate from the date incurred by such Indemnified Party until paid by Borrower, shall be added to the obligations of Borrower evidenced by the Note and secured by the collateral securing the Loan. This indemnity is not intended to excuse the Bank from performing hereunder. The provisions of this section shall survive the closing of the Loan, the satisfaction and payment of the Note and any cancellation of this Agreement. Borrower shall also pay, and hold the Bank harmless from, any and all claims of any brokers, finders or agents claiming a right to any fees in connection with arranging the Loan. The Bank hereby represents that it has not employed a broker or other finder in connection with the Loan. Borrower represents and warrants that no brokerage commissions or finder's fees are to be paid in connection with the Loan.

13.6 **Captions.** The captions and headings of various Articles and Sections of this Agreement and exhibits pertaining hereto are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions hereof.

13.7 **Inconsistent Terms and Partial Invalidity.** In the event of any inconsistency among the terms hereof (including incorporated terms), or between such terms and the terms of any other Loan Document, the Bank may elect which terms shall govern and prevail. If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated by a court of competent jurisdiction to be invalid, the validity of the remainder of this Agreement shall be construed as if such invalid part were never included herein.

13.8 **Gender and Number.** Any word herein which is expressed in the masculine or neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural number shall be deemed, whenever appropriate in the context, to include the singular and the plural.

13.9 **Notices.** Any notices, communications and waivers under this Agreement 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) sent by overnight express carrier, addressed in each case as follows:

To the Bank: LaSalle Bank Midwest National Association  
2600 West Big Beaver Road  
Troy, Michigan 48084  
Attention: Commercial Real Estate

With copies to: Daniel C. Watson, Esq.  
Dykema Gossett PLLC  
400 Renaissance Center  
Detroit, Michigan 48243

To Borrower: Apple Orchard, L.L.C.  
Sun Lakeview LLC  
Sun Tampa East, LLC  
27777 Franklin Road, Suite 200  
Southfield, Michigan 48034  
Attention: Corporate Controller

With a copy to: Arthur A. Weiss, Esq.  
Jaffe, Raitt, Heuer & Weiss, P.C.  
The American Center  
27777 Franklin Road, Suite 2500  
Southfield, Michigan 48034

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 Section 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 Business Day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third Business Day following the day sent or when actually received.

13.10 **Effect of Agreement.** The submission of this Agreement and the Loan Documents to Borrower for examination does not constitute a commitment or an offer by the Bank to make a commitment to lend money to Borrower; this Agreement shall become effective only upon execution by Bank and delivery hereof by the Bank to Borrower.

13.11 **Governing Law.** This Agreement has been negotiated, executed and delivered at Troy, Michigan, and shall be construed and enforced in accordance with the laws of the State of Michigan, without reference to the choice of law or conflicts of law principles of the State.

13.12 **Waiver of Defenses.** **OTHER THAN CLAIMS BASED UPON THE FAILURE OF THE BANK TO ACT IN A COMMERCIALY REASONABLE MANNER, THE BORROWER, ON BEHALF OF ITSELF AND GUARANTOR, WAIVES EVERY PRESENT AND FUTURE DEFENSE (OTHER THAN THE DEFENSE OF PAYMENT IN FULL), CAUSE OF ACTION, COUNTERCLAIM OR SETOFF WHICH THE BORROWER MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY THE BANK IN ENFORCING THIS AGREEMENT. PROVIDED THAT THE BANK ACTS IN GOOD FAITH, THE BORROWER RATIFIES AND CONFIRMS WHATEVER THE BANK MAY DO PURSUANT TO THE TERMS OF THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK GRANTING ANY FINANCIAL ACCOMMODATION TO THE BORROWER.**

13.13 **Consent to Jurisdiction.** TO INDUCE BANK TO ACCEPT THE NOTE, BORROWER IRREVOCABLY AGREES THAT, SUBJECT TO BANK'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE LOAN DOCUMENTS WILL BE LITIGATED IN COURTS HAVING SITUS IN OAKLAND COUNTY, MICHIGAN. BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN OAKLAND COUNTY, MICHIGAN, WAIVES PERSONAL SERVICE OF PROCESS UPON BORROWER, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

13.14 **Waiver of Jury Trial.** BORROWER AND THE BANK (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS AGREEMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS AGREEMENT OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE BANK OR ANY OTHER PERSON INDEMNIFIED UNDER THIS AGREEMENT ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

13.15 **Counterparts; Facsimile Signatures.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt of an executed signature page to this Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof. Electronic records of executed Loan Documents maintained by the Bank shall be deemed to be originals thereof.

13.16 **Customer Identification - USA Patriot Act Notice.** The Bank hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "Act"), and the Bank's policies and practices, it is required to obtain, verify and record certain information and documentation that identifies Borrower, which information includes the name and address of Borrower and such other information that will allow the Bank to identify Borrower in accordance with the Act.

*[SIGNATURE PAGE FOLLOWS]*

**BORROWER:**

**APPLE ORCHARD, L.L.C.**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUN LAKEVIEW LLC**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUN TAMPA EAST, LLC**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BANK:**

**LASALLE BANK MIDWEST NATIONAL ASSOCIATION,**a  
national banking association

By: \_\_\_\_\_  
Name: Scott McLean  
Title: Vice President

EXHIBIT A

THE PROPERTY

**Property known as 2191 East Ohio Pike #57, Amelia, Ohio and 969 State Rte 28, Milford, Ohio described as:**

Land situated in the County of Clermont, Township of Miami, State of Ohio, is described as follows:

Parcel 1

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Beginning at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West 29.71 feet from a 1 inch iron pipe at the Northwest corner of lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 second East 265.47 feet to a 1/2 inch iron pin; thence, with the line of H. Wayne Klekamp, Inc. and fenced line of Bertie Trester, South 06 degrees 36 minutes 08 seconds West 888.99 feet to a 5/8 inch iron pin; thence, with the North line of By-Pass StateRoute 28, South 71 degrees 27 minutes 11 seconds West 452.65 feet to a 5/8 inch iron pin; thence, continuing with said North line of said By-Pass State Route No. 28, South 67 degrees 31 minutes 49 seconds West, 434.44 feet to a 5/8 inch iron pin; thence with the fenced line of B & R Partnership, North 13 degrees 49 minutes 16 seconds East 609.49 feet to a 3/4 inch iron pin; thence, with the fenced line of Paul and Janet Bilton, North 81 degrees 00 minutes 48 seconds East 180.74 feet to a 3/4 inch iron pin; thence, with the fenced line of Mulberry Wesleyan Church, Inc., North 54 degrees 54 minutes 10 seconds East 359.78 feet to a 1 inch pipe; thence continuing with said fenced line of Mulberry Wesleyan Church, Inc. North 66 degrees 31 minutes 42 seconds East 151.50 feet to a 3/8 inch iron pin, thence, continuing with said fenced line of Mulberry Wesleyan Church, Inc., North 18 degrees 31 minutes 24 seconds West 58.02 feet to a 1 inch pipe, thence, with said line of Mulberry Wesleyan Church, Inc., and Harry Kapourales, North 75 degrees 09 minutes 36 seconds East, 170.08 feet to a 1/2 inch iron pin; thence, continuing with said line of said Harry Kapourales and passing a 5/8 inch iron pin at 232.09 feet, North 13 degrees 17 minutes 13 seconds West 262.09 feet to State Route No. 28; thence with said State Route No. 28, North 77 degrees 12 minutes 47 seconds East 94.23 feet to the beginning, The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county.

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835

Parcel 2

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Commencing at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West, 29.71 feet from a 1 inch iron pipe at the Northwest corner of Lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said Lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 seconds East 265.47 feet to a 1/2 iron pin; thence, with the line of H. Wayne Klekamp, Inc., fenced line of Bertie Trester and crossing the State Route No. 28 by-pass, South 06 degrees 36 minutes 08 seconds West 1120.97 feet to a 5/8 inch iron pin and the beginning; thence, with the fenced line of Rosa Trester and West line of Lakeside Park Subdivision, South 06 degrees 36 minutes 08 seconds West 656.69 feet to a 1/2 inch iron pin; thence with the line of Jerome L. Decker North 72 degrees 10 minutes 36 seconds West, 196.61 feet to a 5/8 inch iron

pin; thence continuing with said line of Jerome L. Decker, South 37 degrees 05 minutes 47 seconds West 349.43 feet to a 1/2 inch iron pin; thence with the line of Betty Swafford and fenced line of Donald Gordon, North 73 degrees 48 minutes 40 seconds West 591.53 feet to a 1/2 inch iron pin; thence, continuing with said fenced line of Donald Gordon and fenced line of Elsie Walker, North 35 degrees 18 minutes 04 seconds East 357.85 feet to a 5/8 inch iron pin; thence, continuing with said fenced line of Elsie Walker, North 72 degrees 19 minutes 17 seconds West, 50.08 feet to a 1/2 inch iron pin; thence with the fenced line of the Board of County Commissioners, North 13 degrees 49 minutes 16 seconds East 163.75 feet to a 5/8 inch iron pin; thence with the South line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 583.81 feet to a 5/8 inch iron pin; thence, continuing with said South line of By-Pass State Route No. 28, South 13 degrees 21 minutes 01 seconds East 41.17 feet to a 5/8 inch iron pin; thence, still continuing with the south line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 295.68 feet to the beginning.

The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835.

### Parcel 3

Situated in Pierson's Military Survey No. 928 and Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows: Beginning at an iron pin set at the southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with the South line of Lot No. 8, as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East for a distance of 449.88 feet to an iron pin set corner to lands of Edgar Lawson; thence with the lines of said Lawson the following three courses and distances, (1) South 12 degrees 58 minutes 13 seconds West for a distance of 579.29 feet to an iron pin set; (2) North 86 degrees 11 minutes 40 seconds West for a distance of 462.91 feet to an iron pin set; (3) South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner of lands of the Clermont Christian Assembly, Inc., thence with the north line of The Clermont Christian Assembly, Inc. North 84 degrees 13 minutes 43 seconds West for a distance of 1597.30 feet to an existing iron pin corner to lands of Martha and Karen Simpson; thence with the East line of said Simpson and the East line of Elmer and Marjorie Parker North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike in the centerline of Back Run Road; thence leaving said road with the South line of lands of Steven and Karen Seipelt South 84 degrees 44 minutes 18 seconds East (passing an iron pin set at 25.00 feet) for a total distance of 637.57 feet to an existing iron pipe corner to said Seipelt; thence with the Easterly lines of said Seipelt and the Easterly line of Jessie and Judith Cowans the following two courses and distances (1) North 06 degrees 42 minutes 55 seconds West for a distance of 26.05 feet to an existing iron pipe at an angle point in Seipelt's Easterly line (2) North 30 degrees 41 minutes 42 seconds East for a distance of 661.30 feet to an existing iron pipe corner to said Cowans; thence with the North line of Cowans North 84 degrees 35 minutes 35 seconds West for a distance of 594.03 feet to an existing iron pipe corner to lands of Mamie Kemper; thence with the East line of said Kemper and partially with the East line of Lands of Terry and Beverly Hoskins North 12 degrees 11 minutes 18 seconds East for a distance of 891.21 feet to an iron pin set corner to lands of the Bethel Jehovah's Witnesses; thence with the lines of the Bethel Jehovah's Witnesses the following three (3) courses and distances, (1) South 86 degrees 24 minutes 00 seconds East for a distance of 236.94 feet to an iron pin set; (2) North 03 degrees 36 minutes 00 seconds East for a distance of 66.00 feet to an iron pin set; (3) South 86 degrees 24 minutes 00 seconds East for a distance of 33.00 feet to an iron pin set corner to lands of Dale and Irene DeWeese; thence with the Southerly line of said DeWeese South 61 degrees 24 minutes 00 seconds East for a distance of 161.15 feet to an existing iron pin corner of lands of Clermont Metropolitan Housing Authority; thence with the lines of said Clermont Metropolitan Housing Authority the following six (6) courses and distances, (1)

South 35 degrees 56 minutes 13 seconds East for a distance of 183.96 feet to an iron pin set; (2) South 61 degrees 48 minutes 54 seconds East for a distance of 157.41 feet to a wood post; (3) North 77 degrees 59 minutes 07 seconds East for a distance of 131.22 feet to an iron pin set; (4) North 08 degrees 28 minutes 57 seconds East for a distance of 82.52 feet to an iron pin set; (5) South 83 degrees 59 minutes 06 seconds East for a distance of 91.94 feet to an iron pin set; (6) North 08 degrees 40 minutes 57 seconds East (passing an iron pin set 530.64 feet) for a total distance of 593.32 feet to a point in the centerline of State Route No. 125; thence with said centerline South 78 degrees 37 minutes 16 seconds East for a distance of 292.37 feet to a point; thence leaving said road with the West line of Lot No. 7 of East Fork Commercial Park the following two (2) courses and distances, (1) South 07 degrees 42 minutes 03 seconds West for a distance of 693.99 feet to a 36' ash tree; South 05 degrees 56 minutes 01 seconds West for a distance of 677.35 feet to the place of beginning.

EXCEPTING Therefrom the following described parcels:

Situated in Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows:

Commencing at an iron pin located at the Southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with South line of Lot No. 8 as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East 449.88 feet to the corner of lands of Edgar Lawson; thence with the lines of said Lawson the following three (3) courses: South 12 degrees 58 minutes 13 seconds West 579.29 feet, North 86 degrees 11 minutes 40 seconds West 462.91 feet to an iron pin found, South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner to lands of The Clermont Christian Assembly, Inc., as recorded in Deed Book 532, page 374, Clermont County Recorder's Office; thence with the North line of said Clermont Christian Assembly, Inc., North 84 degrees 13 minutes 43 seconds West 1330.81 feet to a 5/8" diameter iron pin set at the Point of Beginning of this described real estate; thence from said point of beginning continuing North 84 degrees 13 minutes 43 seconds West 266.49 feet to an existing iron pin corner to lands of Karen L. Simpson, as recorded in Official Record 794, page 877, Clermont County Recorder's Office; thence with the East line of said Simpson and the East line of Elmer Parker, Jr., as recorded in Official Record 1084, page 248 of the Clermont County Recorder's Office, North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike located in the centerline of Back Run Road; thence leaving said road with the South line of lands of Roy L. and Brenda D. Lindsey as recorded in Official Record 1342, page 800, Clermont County Recorder's Office, South 84 degrees 44 minutes 18 seconds East, passing an existing iron pin at 25.00 feet for a total distance of 177.74 feet to a set 5/8" diameter iron pin; thence leaving said line of Lindsey, through grantor's property along a new severance line the following four (4) courses: South 03 degrees 29 minutes 54 seconds West 39.63 feet to a set 5/8" diameter iron pin, North 86 degrees 30 minutes 06 seconds West 12.74 feet to a set 5/8" diameter iron pin, South 64 degrees 19 minutes 28 seconds West 50.00 feet to a set 5/8" diameter iron pin, and South 04 degrees 13 minutes 43 seconds East 384.25 feet to the point of beginning.

Right to access and construct utilities including sanitary sewer, public water, electric, gas cable and telephone located or to be located along Back Run Road through and above described tract, and to retain rights for drainage easements and storm piping through the above tract.

ALSO EXCEPTING

Situated in the State of Ohio, County of Clermont, Township of Monroe, Virginia Military District, situated in Jones M.S. No. 934 and being more particularly described as follows:

Beginning for reference at the intersection of the existing centerline of S.R. 125 with the Easterly line of Jones M.S. No. 934, said point being centerline of survey Station 491+57.52; thence North 75 degrees 49 minutes 28 seconds East 21.76 feet to a point at 9.72 feet left of centerline Station 491+76.98 and being



the True Point of Beginning; thence South 09 degrees 04 minutes 08 seconds West 91.68 feet along the Grantor's Easterly line to an iron pin set at 81.75 feet right of centerline Station 491+82.25 (passing an iron pin found at 90.79 feet); thence North 88 degrees 17 minutes 47 seconds West 17.54 feet along the existing Southerly Right-of-Way line to an iron pin set 85.00 feet right of centerline Station 491+65.00; thence North 68 degrees 29 minutes 02 seconds West, 157.14 feet along the existing Southerly Right-of-Way line to an iron pin set 60.00 feet right of centerline Station 490+09.88; thence North 72 degrees 43 minutes 43 seconds West 123.24 feet along the existing Southerly Right of Way line to an iron pin found 54.22 feet right of centerline Station 488+91.18; thence North 10 degrees 03 minutes 08 seconds East 59.98 feet along the Grantor's Westerly line to a point 5.32 feet left of centerline Station 488+84.09; thence South 77 degrees 29 minutes 25 seconds East 292.34 feet along the Grantor's Northerly line to the True Point of Beginning.

This description is based on a survey made under the direction and supervision of Steven W. Newell, Professional Surveyor Number 7212 in May, 2001

**Property known as 4630 McIntosh, Dover, Florida described as:**

Parcel I:

Commence at the Northeast corner of the Southeast 1/4 of the Northwest 1/4 of Section 30, Township 28 South, Range 21 East, Hillsborough County, Florida; thence South 00°13'17" East along the East boundary thereof, 286.50 feet; thence South 89°50'28" West, 47.00 feet to a point on the West right-of-way line of McIntosh Road (said public right-of-way being 87 feet in width, as shown on F.D.O.T. right-of-way Map Section 10030-2529 (formerly 10030-2521) and O.R. Book 5099, Page 1004), said point being the Point of Beginning; thence along said Westerly right-of-way line South 00°13'17" East, 373.17 feet to a point on the North boundary of the South 1/2 of the Southeast 1/4 of Northwest 1/4 of said Section 30; thence continue along said West right-of-way line of McIntosh Road South 00°08'53" East, 332.72 feet to a point on the South boundary of the North 1/2 of the South 1/2 of the Southeast 1/4 of the Northwest 1/4 of said Section 30; thence along said South boundary North 89°31'31" West, 1,348.58 feet to the Southwest corner of the North 1/2 of the South 1/2 of the Southeast 1/4 of the Northwest 1/4 of said Section 30; thence South 00°08'30" East, 330.76 feet to the Southwest corner of the Southeast 1/4 of the Northwest 1/4 of said Section 30; thence South 00°16'56" East along the East boundary of the Northwest 1/4 of the Southwest 1/4 of said Section 30, 1,025.21 feet to a point on the Northerly right-of-way line of U.S. Highway No. 92 (State Road No. 600, said public right-of-way being 80 feet in width as shown on F.D.O.T. right-of-way Map Section 10030-2529 (formerly 10030-2521); thence South 75°27'17" West along said right-of-way line, 978.28 feet to a point on the East boundary of the West 447.50 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 30; thence North 00°15'43" West, along a line 447.50 feet East of and parallel to the West boundary of the Northwest 1/4 of the Southwest 1/4 of said Section 30, a distance of 347.00 feet MORE OR LESS to the South bank of an existing canal; thence North 88°11'42" East along said canal bank 250.10 feet to a point on the West boundary of the East 1/2 of the Northwest 1/4 of the Southwest 1/4 of said Section 30; thence North 00°19'40" West along said West boundary, 920.12 feet to the Northwest corner of the East 1/2 of the Northwest 1/4 of the Southwest 1/4 of said Section 30; thence North 89°27'27" West, along the South boundary of the Southwest 1/4 of the Northwest 1/4 of said Section 30, a distance of 150.36 feet to the Southwest corner of the East 849.16 feet of the Southwest 1/4 of the Northwest 1/4 of said Section 30; thence North 00°07'28" West, 700.00 feet to the Northwest corner of the East 849.16 feet of the South 700.00 feet of the Southwest 1/4 of the Northwest 1/4 of said Section 30; thence South 89°35'43" East, along the North boundary thereof, a distance of 493.06 feet; thence South 41°49'16" East, 266.07 feet; thence North 42°13'00" East (North 42°06'10" East per description), 243.73 feet; thence North 00°02'51" East, 15.13 feet; thence South 89°42'21" East, 15.00 feet to the Northeast corner of the South 700.00 feet of the East 849.16 feet of the Southwest 1/4 of the Northwest 1/4 of said Section 30; thence North 00°08'30" West, along the West

boundary of the Southeast 1/4 of the Northwest 1/4 of said Section 30, 322.13 feet; thence North 89°50'28" East, 1,347.94 feet to the Point of Beginning.

Parcel II:

A parcel of land being a portion of the Northwest 1/4 of the Northwest 1/4 of Section 30, Township 28 South, Range 21 East, Hillsborough County, Florida, being more particularly described as follows:

Commence at a found railroad spike marking the Southeast corner of the Northwest 1/4 of Section 30; thence North 00°06'40" West along the East line of said Northwest 1/4, for 1,324.46 feet to the Southeast corner of the Northeast 1/4 of said Northwest 1/4; thence North 89°26'20" West along the South line of the Northeast 1/4 of said Northwest 1/4, for 55.38 feet to a point on the Westerly right-of-way line of McIntosh Road; thence North 07°42'21" West along said Westerly right-of-way line, for 105.02 feet to a point on the previously existing Southerly limited access right-of-way line of State Road 400 (Interstate 4); thence along said limited access right-of-way line, the following two (2) courses:

1) North 65°18'32" West for 140.75 feet; 2) thence South 88°12'17" West for 226.40 feet to a point on the new Southerly limited access right-of-way line; thence along said new limited access right-of-way line, the following three (3) courses:

1) South 83°01'18" West for 395.54 feet to a point on the arc of a non-tangent curve (a radial line bears South 6°04'26" East to the center of said curve); 2) thence Westerly along the arc of said curve concave Southerly, having for its elements a radius of 5,649.58 feet, a central angle of 02°23'16", an arc length of 235.46 feet, and a chord bearing and distance of South 82°43'56" West for 235.44 feet to a point of tangency; 3) thence South 81°32'17" West for 349.38 feet to a point on the East line of the Northwest 1/4 of said Northwest 1/4 and the Point of Beginning; thence North 00°05'10" West, along said East line for 11.60 feet; thence North 89°26'13" West for 59.72 feet; thence South 82°05'10" West for 13.94 feet; thence South 12°27'43" East for 23.55 feet to the South line of said Northwest 1/4 of the Northwest 1/4; thence South 89°26'20" East along said South line 68.49 feet to the Southeast corner of said Northwest 1/4 of the Northwest 1/4; thence North 00°05'10" West along said East line of the Northwest 1/4 of the Northwest 1/4 for 13.39 feet to the said Point of Beginning.

Parcel III (Easement Parcel):

Easements for access, ingress and egress from Parcel I hereof to Parcel II hereof, and easement for water utilities for the benefit of Parcels I and II, made by Green Acres Campground, Inc., to NHC-FL14 LP., dated June 24, 1998, recorded July 1, 1998 in O.R. Book 9115, Page 787, Hillsborough County Records, which easements burden the following parcel of land.

Begin at the Northeast corner of the Southwest 1/4 of the Northwest 1/4 of Section 30, Township 28 South, Range 21 East, Hillsborough county, Florida; thence North 00°05'10" West to a point on the South right-of-way line of Interstate 4 (State Road No. 400), a public right-of-way, 13.39 feet; thence North 81°32'17" East along said right-of-way 30.32 feet; thence South 00°05'10" East, 18.15 feet; thence South 00°08'30" East 270.93 feet; thence North 89°50'28" East 129.99 feet; thence South 00°09'32" East, 30.00 feet; thence South 89°50'28" West, to a point on the West line of the Southeast 1/4 of the Northwest 1/4 of Section 30, Township 28 South, Range 21 East 160.00 feet; thence North 00°08'30" West along said line 301.31 feet to the Point of Beginning.

Parcel IV:

From the Northeast corner of the Northeast 1/4 of the Southwest 1/4 of Section 30, Township 28 South, Range 21 East, run West 345 Feet to a Point of Beginning; run thence South 00°41'00" East, 743.09 feet to the North Right-of-Way Line of U.S. 92 (a public road having an 80 foot right of way); thence South

75°00'30" West along said right-of-way line 200 feet thence North 00°41'00" West, 200 feet; thence South 75°00'130" West, 884.81 feet to the West boundary of said Northeast 1/4 of the Southwest 1/4; thence North 00°39'00" West, 823.73 feet to the Northwest corner of said Northeast 1/4 of the Southwest 1/4; thence East 1050.75 feet to the Point of Beginning. Said lands lying In Hillsborough County, Florida.

**Property known as 9910 Geraldine St., Ypsilanti, Michigan described as:**

Land situated in the County of Washtenaw, Township of Ypsilanti, State of Michigan, is described as follows:

Part of Section 26, Town 3 South, Range 7 East, Ypsilanti Township, Washtenaw County, Michigan, described as: Beginning at the Northeast corner of Section 26; thence South along the East line of said Section, 1309.73 feet; thence North 89 degrees 42 minutes 34 seconds West 662.67 feet; thence South 00 degrees 00 minutes 53 seconds East 728.14 feet; thence South 89 degrees 42 minutes 34 seconds East 662.49 feet to the East line of said Section; thence South along said line 197.26 feet; thence North 89 degrees 42 minutes 34 seconds West 662.44 feet; thence South 00 degrees 00 minutes 53 seconds East 197.28 feet; thence South 89 degrees 42 minutes 34 seconds East 662.39 feet to the East line of said Section; thence South along said line 197.29 feet to the East 1/4 corner of said Section; thence North 89 degrees 29 minutes 20 seconds West along the East and West 1/4 line 1318.78 feet to the Southwest 1/4 of the East 1/2 of the Northeast 1/4 of said Section; thence North 00 degrees 06 minutes 32 seconds East along the West line of the East 1/2 of the Northeast 1/4 of said Section 1810.49 feet; thence South 89 degrees 23 minutes 40 seconds East 291.22 feet; thence North 00 degrees 09 minutes 54 seconds West 826.86 feet to the North line of said Section; thence South 89 degrees 05 minutes East along said North line 119.10 feet; thence South 15 degrees 17 minutes 20 seconds West 69.23 feet; thence North 56 degrees 57 minutes 07 seconds East 94.96 feet; thence North 19 degrees 25 minutes 50 seconds East 15.13 feet to the North line of said Section; thence South 89 degrees 05 minutes 00 seconds East along said North line 841.02 feet to the point of beginning.

Tax Item No. K-11-26-100-014

**EXHIBIT B**

**FORM OF PROMISSORY NOTE**

**PROMISSORY NOTE**

\$27,000,000.00  
Troy, Michigan

Date: July 1, 2008  
Maturity Date: July 1, 2011

FOR VALUE RECEIVED, **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "Borrower"), hereby promises to pay to the order of **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association (the "Bank"), at its principal office in Troy, Michigan, on or before the Maturity Date (as defined in the hereinafter referred to Loan Agreement), the principal amount of TWENTY SEVEN MILLION and 00/100 DOLLARS (\$27,000,000.00), in accordance with the terms and provisions of that certain Loan Agreement dated as of July 1, 2008, executed by and among the Borrower and the Bank (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"). Capitalized words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Loan Agreement.

The Borrower further promises to pay accrued interest hereunder monthly, beginning on August 1, 2008 and continuing on the same day of each consecutive month thereafter through and including July 1, 2009. Beginning on August 1, 2009, and continuing on the same day of each consecutive month thereafter, the Borrower shall repay the outstanding principal balance of this Note in monthly installments of principal and interest, each in an amount determined on the basis of a 360-month amortization period (the "Amortization Period"). The amount of each monthly payment shall be the amount computed by the Bank which would amortize the outstanding principal balance of this Note, as of the date of the payment calculation, with interest at the rate in effect on such date as set forth in the Loan Agreement, over the remainder of the Amortization Period. The outstanding principal balance hereof shall be repaid by the Borrower on the Maturity Date, unless payable sooner pursuant to the provisions of the Loan Agreement. The Maturity Date may be extended at the Borrower's option, subject to the terms and conditions contained in the Loan Agreement, to the date two (2) years after the initial Maturity Date. Payments of both principal and interest are to be made in lawful money of the United States of America. The Loan made by the Bank and all payments on account of the principal and interest thereof, shall be recorded on the books and records of the Bank and the principal balance as shown on such books and records shall be rebuttably presumptive evidence of the principal amount owing hereunder.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, the Loan Agreement, to which Loan Agreement reference is hereby made for a statement of the terms and provisions under which this Note may or must be paid prior to the Maturity Date, or pursuant to which the Maturity Date may be accelerated. The holder of this Note is entitled to all of the benefits and security provided for in the Loan Agreement.

Except for such notices as may be expressly required under the Loan Documents, the Borrower waives presentment, demand, notice, protest, and all other demands, or notices, in connection with the delivery, acceptance, performance, default, or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence. No failure to exercise, and no delay in

exercising, any rights under any of the Loan Documents by the Bank of any holder of this Note shall operate as a waiver of such rights.

This Note shall be governed and construed in accordance with the laws of the State of Michigan applicable to contracts made and to be performed entirely within such State.

*[SIGNATURE PAGE FOLLOWS]*

**BORROWER:**

**APPLE ORCHARD, L.L.C.**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: **EXHIBIT – DO NOT SIGN**  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUN LAKEVIEW LLC**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: **EXHIBIT – DO NOT SIGN**  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUN TAMPA EAST, LLC**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: **EXHIBIT – DO NOT SIGN**  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OPEN-END MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT**

**(Maximum unpaid indebtedness, exclusive of interest  
and protective advances, not to exceed \$27,000,000.00)**

**made by**

**APPLE ORCHARD, L.L.C., a Michigan limited liability company  
("Mortgagor")**

**in favor of**

**LASALLE BANK MIDWEST NATIONAL ASSOCIATION,  
a national banking association  
("Bank")**

**Dated: Jun 20, 2008**

**Relating to Property located in Clermont County, Ohio**

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**THIS MORTGAGE IS ALSO A FINANCING STATEMENT COVERING FIXTURES, AND IS TO BE INDEXED IN THE REAL ESTATE RECORDS.**

**THE NAMES OF THE DEBTOR AND THE SECURED PARTY, THE MAILING ADDRESS OF THE SECURED PARTY FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED, THE MAILING ADDRESS OF THE DEBTOR AND A STATEMENT INDICATING THE TYPES, OR DESCRIBING THE ITEMS OF COLLATERAL, ARE AS DESCRIBED IN THIS MORTGAGE.**

**OPEN-END MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING**

(Secures Future Advances)

Maximum Indebtedness not to Exceed \$27,000,000

This **OPEN-END MORTGAGE** dated as of June 20, 2008 (the "Mortgage"), is executed by **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company, whose address is 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 (the "Mortgagor"), to and for the benefit of **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association, whose address is 2600 West Big Beaver Road, Troy, Michigan 48084, its successors and assigns (the "Bank").

**RECITALS:**

A. **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "Borrower"), desires to borrow funds and obtain other financial accommodations from the Bank, including, without limitation, a loan evidenced by a promissory note from the Borrower to the Bank, dated June 20, 2008, in the principal amount of TWENTY SEVEN MILLION and 00/100 Dollars (\$27,000,000.00) (as amended, restated or replaced from time to time, the "Note").

B. As a condition to the Bank's loaning funds or providing other financial accommodations to the Borrower, the Bank requires that the Mortgagor grant this Mortgage in order to secure the obligations and performance of the Borrower under such loans or financial accommodations.

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

**A G R E E M E N T S:**

The Mortgagor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, MORTGAGE and WARRANT and GRANT A SECURITY INTEREST to the Bank and its successors and assigns forever in and to the following described property, rights and interests (referred to collectively herein as the "Property"):

(a) The real estate located in the State of Ohio and legally described on Exhibit A attached hereto and made a part hereof (the "Real Estate");

(b) All improvements of every nature whatsoever now or hereafter situated on the Real Estate, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing (the "Improvements");

(c) 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 the Mortgagor of, in and to the same;



(d) All rents, revenues, issues, profits, proceeds, income, royalties, Letter of Credit Rights (as defined in the Uniform Commercial Code of the State of Ohio (the "Code") in effect from time to time), escrows, security deposits, impounds, reserves, tax refunds and other rights to monies from the Property and/or the businesses and operations conducted by the Mortgagor thereon;

(e) All interest of the Mortgagor in all leases and rental agreements (including, without limitation, oil and gas leases and any specific lease(s) described in an attachment to this Mortgage), written or unwritten, now or hereafter demising the Property in whole or in any part, and all amendments, modifications, extensions, renewals, substitutions and replacements for any of the foregoing (each, a "Lease", and collectively, the "Leases"), together with all security therefor and all monies payable thereunder;

(f) All fixtures and articles of personal property now or hereafter owned by the Mortgagor and located on or 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, computer hardware and software used in the operation of the Property, 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, together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by the Mortgagor or on its behalf; it being mutually agreed that all of the aforesaid property owned by the 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 Obligations; 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 realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute Goods (as defined in the Code), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in the Bank, as a Secured Party, and the Mortgagor, as Debtor, all in accordance with the Code;

(g) All of the 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 Property, including, without limitation, all of the Mortgagor's right, title and interest in and to: (i) all agreements, licenses, permits and contracts to which the Mortgagor is or may become a party and which relate to the Property; (ii) all obligations and indebtedness owed to the Mortgagor thereunder; (iii) all intellectual property related to the Property; and (iv) all choses in action and causes of action relating to the Property;

(h) All of the Mortgagor's accounts now owned or hereafter created or acquired as relate to the Property and/or the businesses and operations conducted thereon, including, without limitation, all of the following now owned or hereafter created or acquired by the Mortgagor: (i) Accounts (as defined in the Code), contract rights, 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) the Mortgagor's rights in, to and

under all purchase orders for goods, services or other property; (iii) the Mortgagor's rights to any goods, services or other property represented by any of the foregoing; (iv) monies due or 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); (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 (vii) all warranties, guarantees, permits and licenses in favor of the Mortgagor with respect to the Property; and

(i) 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 Property or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Property or proceeds of any sale, option or contract to sell the Property or any portion thereof;

FOR THE PURPOSE OF SECURING all loans, advances and other financial accommodations, including any renewals or extensions thereof, from the Bank to the Borrower and/or the Mortgagor and any and all indebtedness, liabilities and obligations of any and every kind and nature heretofore, now or hereafter owing from the Borrower and/or the Mortgagor to the Bank, however incurred or evidenced, whether primary, secondary, contingent or otherwise, whether arising under the Note, and any and all extensions and renewals thereof, this Mortgage, under any other security agreement(s), promissory note(s), guaranty(s), mortgage(s), lease(s), letter(s) of credit, interest rate, currency or commodity swap agreement(s), cap agreement(s) or collar agreement(s), and any other agreement(s) or arrangement(s) designed to protect the Borrower against fluctuations in interest rates, currency exchange rates or commodity prices, or any other instrument(s), document(s), contract(s) or agreement(s) heretofore, now or hereafter executed by Borrower and/or the Mortgagor and delivered to the Bank or to or under which Borrower and/or the Mortgagor or any subsidiary or affiliate of Borrower and/or the Mortgagor is a party or beneficiary (collectively, the "Loan Documents"), or by oral agreement or by operation of law, plus all interest, costs, expenses and reasonable attorney fees which may be made or incurred by the Bank in the disbursement, administration or collection of such indebtedness, liabilities and obligations and in the protection, maintenance and liquidation of any collateral for such indebtedness, liabilities and obligations, and ANY FUTURE ADVANCES, WITH INTEREST THEREON, made to the Borrower and/or the Mortgagor by the Bank which are secured by this Mortgage pursuant to the provisions hereof (collectively, the "Obligations"). The Mortgagor covenants to pay when due any Obligations for which it is liable in accordance with the terms of the Loan Documents and duly perform and observe all of the terms, covenants and conditions to be observed and performed by the Mortgagor under the Note, this Mortgage and the other Loan Documents.

This Mortgage is intended to secure the unpaid balance of loan advances to be made to the Borrower by the Bank under the Note after this Mortgage has been delivered to the Clermont County, Ohio, Recorder's Office for recordation, in accordance with Sections 5301.232 and 5301.233 of the Ohio Revised Code. The maximum amount of loan advances under the Note, exclusive of interest thereon and amounts made for the payment of taxes, assessment, insurance premiums and costs incurred for the protection of the Project, which may be outstanding at any time, is Twenty Seven Million and 00/100 Dollars (\$27,000,000.00).

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. **Title.** The Mortgagor represents, warrants and covenants that (a) the Mortgagor is the holder of the fee simple title to the Property, free and clear of all liens and encumbrances, except those liens and encumbrances in favor of the Bank and as otherwise described on Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions"); and (b) the Mortgagor has legal power and authority to mortgage and convey the Property.

2. **Assignment of Rents and Leases.** As additional security for the Obligations and performance of the covenants and agreements set forth herein, Mortgagor hereby assigns to the Bank, and grants Bank a security interest in, any and all Leases, and all rents, issues, income and profits derived from the use of the Property or any portion thereof, whether due or to become due. These assignments shall run with the land and shall be good and valid against Mortgagor and all persons claiming by, under, or through Mortgagor from the date of recording of this Mortgage and shall continue to be operative during foreclosure or any other proceedings taken to enforce this Mortgage. If any foreclosure sale results in a deficiency, the assignments shall continue as security during the foreclosure redemption period. Mortgagor covenants with and warrants to Bank that as of the date of this Mortgage:

(a) Each Lease is in full force and effect and there are no defaults existing thereunder; and

(b) Mortgagor has not, except as may be described in an attachment, if any, to this Mortgage: (1) executed or granted any prior assignment, encumbrance, or security interest in any Lease or the rentals thereunder; (2) performed any acts or executed any other instruments or agreements which would limit or prevent Bank from obtaining the benefit of and exercising its rights conferred by this Mortgage; or (3) executed or granted any modification of any Lease, either orally or in writing.

(c) As of the date of this Mortgage and for so long as any of the Obligations remains unpaid or unperformed:

(i) Mortgagor shall promptly inform Bank of, assign, and deliver, any subsequent Lease of the Property or any part thereof, and make, execute and deliver to the Bank, upon demand, any and all documents, agreements and instruments as may, in Bank's opinion, be necessary to protect the Bank's rights under this Mortgage; provided, that Mortgagor's failure to do so will not impair Bank's interest in or rights with respect to any subsequent Lease, nor in any way affect the applicability of this Mortgage to such Lease and the unpaid rents due or to become due thereunder.

(ii) Mortgagor shall not, without the prior written consent of Bank: (1) cancel or accept surrender of a Lease; (2) modify or alter a Lease in any way, either orally or in writing; (3) reduce the amount of or postpone payment of any Lease rents; (4) consent to any assignment of the lessee's interest in a Lease, or any subletting thereunder; (5) collect or accept payment of rents under a Lease for more than one (1) month in advance; (6) make any other assignment, pledge, encumbrance, or other disposition of a Lease or any Lease rents, issues, income or profits.

(d) Mortgagor shall perform and discharge each and every obligation, covenant, and agreement required to be performed by the landlord under any Lease and should Mortgagor fail to do so the Bank, at Bank's sole option and without releasing Mortgagor from any such obligation, may make or do the same in such manner and to such extent as the Bank deems necessary to

protect its rights and interests under this Mortgage. Any and all costs, expenses and sums paid by the Bank in performing under any Lease, including reasonable attorney fees, shall be added to the Obligations secured by this Mortgage. This assignment of rents is given as collateral security only and will not be construed as obligating Bank to perform any of the covenants or undertakings required to be performed by Mortgagor under any Lease.

3. **Maintenance, Repair, Restoration, Prior Liens, Parking.** The Mortgagor covenants that, so long as any portion of the Obligations remains unpaid, the Mortgagor will: (a) promptly repair, restore or rebuild any Improvements now or hereafter on the Property which may become damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the Property in good condition and repair, without waste, and free from construction or like liens or claims or other liens or claims for lien (subject to the Mortgagor's right to contest liens as permitted by the terms hereof); (c) pay when due any indebtedness which may be secured by a permitted lien or charge on the Property, and upon request furnish satisfactory evidence of the discharge of such lien to the Bank (subject to the Mortgagor's right to contest liens as permitted by the terms of hereof); (d) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Property and the use thereof; (e) 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; (f) make no material alterations in the Property or demolish any portion of the Property without the Bank's prior written consent, except as required by law or municipal ordinance; (g) suffer or permit no change in the use or general nature of the occupancy of the Property, without the Bank's prior written consent; (h) not initiate or acquiesce in any zoning reclassification with respect to the Property, without the Bank's prior written consent; (i) provide and thereafter maintain adequate parking areas within the Property as may be required by law, ordinance or regulation (whichever may be greater), together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and (j) comply, and cause the Property at all times to be operated in compliance, with all applicable federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations.

4. **Payment of Taxes and Assessments.** The Mortgagor will pay before delinquent or the date on which 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 the Mortgagor, if applicable to the Property or any interest therein, or the Obligations, or any obligation or agreement secured hereby, subject to the Mortgagor's right to contest the same, as provided by the terms hereof; and the Mortgagor will, upon written request, furnish to the Bank duplicate receipts therefor within ten (10) days after the Bank's request. After the occurrence of an Event of Default and the expiration of any applicable cure period, the Bank shall have the right to request that the Mortgagor deposit with the Bank monthly such amounts as estimated by the Bank will be sufficient to establish a fund from which to pay in full each installment of annual Taxes for the current calendar year as it becomes due. Such deposits will be held without any allowance of interest and are to be used for the payment of Taxes next due and payable when they become due. So long as no Event of Default shall exist, the Bank shall, at its option, pay such Taxes when the same become due and payable (upon submission of appropriate bills therefor from the Mortgagor) or shall release sufficient funds to the Mortgagor for the payment thereof. If the funds so deposited are insufficient to pay any such Taxes for any year (or installments thereof, as applicable) when the same shall become due and payable, the Mortgagor shall, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes in full. If the funds so deposited exceed the amount required to pay such Taxes 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 the Bank. The Bank, in making any payment hereby authorized relating to Taxes, may do so according to any bill, statement or estimate procured from the appropriate public office 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. Upon an Event of Default, the Bank may, at its option, apply any monies at the time on deposit to cure an Event of Default or to pay any of the Obligations in such order and manner as the Bank may elect. If such deposits are used to cure an Event of Default or pay any of the Obligations, the Mortgagor shall immediately, upon demand by the Bank, deposit with the Bank an amount equal to the amount expended by the Mortgagor from the deposits. When the Obligations has been fully paid, any remaining deposits shall be returned to the Mortgagor. Such deposits are hereby pledged as additional security for the Obligations and shall not be subject to the direction or control of the Mortgagor. The Bank shall not be liable for any failure to apply to the payment of Taxes any amount so deposited unless the Mortgagor, prior to an Event of Default, shall have requested the Bank in writing to make application of such funds to the payment of such amounts, accompanied by the bills for such Taxes. The Bank shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

5. **Insurance.** The Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property now or hereafter situated on the Property insured against loss or damage by fire and such other hazards as may reasonably be required by the Bank, in accordance with the Bank's current insurance requirements, and such other insurance as the Bank may from time to time reasonably require.

(a) Unless the Mortgagor provides the Bank evidence of the insurance coverages required hereunder, the Bank may purchase insurance at the Mortgagor's expense to cover the Bank's interest in the Property. The insurance may, but need not, protect the Mortgagor's interest. The coverages that the Bank purchases may not pay any claim that the Mortgagor makes or any claim that is made against the Mortgagor in connection with the Property. The Mortgagor may later cancel any insurance purchased by the Bank, but only after providing the Bank with evidence that the Mortgagor has obtained insurance as required by this Mortgage. If the Bank purchases insurance for the Property, the Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which the Bank 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 Obligations. The cost of the insurance may be more than the cost of insurance the Mortgagor may be able to obtain on its own.

(b) The 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 the Bank is included thereon as the loss payee or an additional insured as applicable, under a standard mortgage clause acceptable to the Bank and such separate insurance is otherwise acceptable to the Bank.

(c) In the event of loss, the Mortgagor shall give prompt notice thereof to the Bank, who, if such loss exceeds an amount equal to ten percent (10.00%) of the Obligations (the "Threshold"), shall have the sole and absolute right to make proof of loss. If such loss exceeds the Threshold or if such loss is equal to or less than the Threshold and the conditions set forth in clauses (i), (ii) and (iii) of the immediately succeeding subsection are not satisfied, then the Bank, solely and directly, shall receive such payment for loss from each insurance company concerned. If and only if (i) such loss is equal to or less than the Threshold, (ii) 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, (iii) the Bank determines that the work required to complete the repair or restoration

of the Property necessitated by such loss can be completed no later than the maturity date of the earliest maturing Obligation, and (iv) the total of the insurance proceeds and such additional amounts placed on deposit with the Bank by the Mortgagor for the specific purpose of rebuilding or restoring the Improvements equals or exceeds, in the sole and absolute discretion of the Bank, the reasonable costs of such rebuilding or restoration, then the Bank shall endorse to the Mortgagor any such payment and the Mortgagor may collect such payment directly. The Bank shall have the right, at its option and in its sole discretion, to apply any insurance proceeds received by the Bank pursuant to the terms of this section, after the payment of all of the Bank's expenses, either (i) on account of the Obligations, irrespective of whether such principal balance is then due and payable, whereupon the Bank may declare the whole of the balance of Obligations to be due and payable, or (ii) to the restoration or repair of the property damaged as provided in subsection (d) below; provided, however, that the Bank hereby agrees to permit the application of such proceeds to the restoration or repair of the damaged property, subject to the provisions of subsection (d) below, if (i) the Bank has received satisfactory evidence that such restoration or repair shall be completed no later than the maturity date of the earliest maturing Obligation, and (ii) 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 the Mortgagor by the Bank as hereinafter provided, the Mortgagor shall repair, restore or rebuild the damaged or destroyed portion of the Property so that the condition and value of the Property are substantially the same as the condition and value of the Property prior to being damaged or destroyed. Any insurance proceeds applied on account of the unpaid principal balance of the Obligations shall be subject to any prepayment premium provided for in the Loan Documents. In the event of foreclosure of this Mortgage, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale.

(d) If insurance proceeds are made available by the Bank to the Mortgagor, the Mortgagor shall comply with the following conditions:

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

(iv) Prior to each payment or application of any insurance proceeds to the repair or restoration of the improvements upon the Property, the Bank shall be satisfied as to the following:

(A) 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 Property, 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 Property, the Mortgagor has deposited with the Bank such amount of money which, together with the insurance proceeds shall be sufficient to restore, repair and rebuild the Property; and

(B) prior to each disbursement of any such proceeds, the Bank shall be furnished with a statement of the Bank's architect (the cost of which shall be borne by the 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 the Bank and with all statutes, regulations or ordinances (including building and zoning ordinances) affecting the Property; and the Bank shall be furnished with appropriate evidence of payment for labor or materials furnished to the Property, and total or partial lien waivers substantiating such payments.

(v) If the Mortgagor shall fail to restore, repair or rebuild the Improvements within a time deemed satisfactory by the Bank, then the Bank, at its option, may (A) commence and perform all necessary acts to restore, repair or rebuild the said Improvements for or on behalf of the 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 Obligations irrespective of whether such Obligations is then due and payable without payment of any premium or penalty.

6. **Condemnation.** If all or any part of the Property 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 Obligations, is hereby assigned to the Bank, who is empowered to collect and receive the same and to give proper receipts therefor in the name of the Mortgagor and the same shall be paid forthwith to the Bank. Such award or monies shall be applied on account of the Obligations, irrespective of whether such Obligations is then due and payable and, at any time from and after the taking the Bank may declare the whole of the balance of the Obligations to be due and payable. Notwithstanding the provisions of this section to the contrary, if any condemnation or taking of less than the entire Property 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 the Bank, has no material adverse effect on the operation or value of the Property, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by the Mortgagor, and the Bank hereby agrees that in such event it shall not declare the Obligations to be due and payable, if it is not otherwise then due and payable.

7. **Taxation.** If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage or any of the other Loan Documents, the Mortgagor shall pay such tax in the manner required by any such law. The Mortgagor further agrees to reimburse the Bank for any sums which the Bank may expend by reason of the imposition of any such tax. Notwithstanding the foregoing, the Mortgagor shall not be required to pay any income or franchise taxes of the Bank. If any law is enacted after the date hereof requiring (a) the deduction of any lien on the Property from the value thereof for the purpose of taxation or (b) the imposition upon the Bank of the payment of the whole or any part of the Taxes, charges or liens herein required to be paid by the Mortgagor, or (c) a change in the method of taxation of mortgages or debts secured by mortgages or the Bank's interest in the Property, or the manner of collection of taxes, so as to affect this Mortgage or the Obligations or the holders thereof, then the Mortgagor, upon demand by the Bank, shall pay such Taxes or charges, or reimburse the Bank therefor; provided, however, that the Mortgagor shall not be deemed to be required to pay any income or franchise taxes of the Bank. Notwithstanding the foregoing, if in the opinion of counsel for the Bank, it is or may be unlawful to require the 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 the Bank may declare all of the Obligations to be immediately due and payable.

8. **Bank's Performance of Defaulted Acts and Expenses Incurred by Bank.** If an Event of Default has occurred, the Bank may, but need not, make any payment or perform any act herein required of the Mortgagor in any form and manner deemed expedient by the Bank, 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 Property or consent to any tax or assessment or cure any default of the Mortgagor in any lease of the Property. 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 the Bank in regard to any tax provided for herein or to protect the Property or the lien hereof, shall be so much additional Obligations, and shall become immediately due and payable by the Mortgagor to the Bank, upon demand, and with interest thereon accruing from the date of such demand until paid at the highest rate provided in the Loan Documents. In addition to the foregoing, any costs, expenses and fees, including reasonable attorneys' fees, incurred by the Bank in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting or enforcing any of the Bank's rights hereunder, (c) recovering any Obligations, (d) any litigation or proceedings affecting the Note, this Mortgage, any of the other Loan Documents or the Property, 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 Property, with interest thereon accruing from the date of such demand until paid at the highest rate provided in the Loan Documents, shall be so much additional Obligations, and shall become immediately due and payable by the Mortgagor to the Bank, upon demand. Should any amount paid out or advanced by the Bank hereunder, or pursuant to any agreement executed by the 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 Property or any part thereof, then the Bank 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.

9. **Security Agreement.** The Mortgagor and the Bank agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to all property described herein in which a security interest can be granted under Article 9 of the Code (the "Personal Property"; all of the Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Bank to secure payment of the Obligations.

(a) The only persons having any interest in the Collateral are the Mortgagor, the Bank and holders of interests, if any, expressly permitted hereby.

(b) No Financing Statement (other than Financing Statements showing the Bank 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; the Mortgagor, at its own cost and expense, upon demand, will furnish to the Bank such further information and will execute and deliver to the Bank such financing statements and other documents in form satisfactory to the Bank and will do all such acts as the Bank 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 Obligations, subject to no other liens or encumbrances, other than liens or encumbrances benefiting the Bank and liens and encumbrances (if any) expressly permitted hereby. The 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 the Bank to be desirable. The Mortgagor hereby irrevocably authorizes the Bank at any time, and from time to



time, to file in any jurisdiction any initial financing statements and amendments thereto, without the signature of the Mortgagor covering the Collateral and containing such information as is required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed

(c) Upon an Event of Default hereunder, the Bank 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. The Bank will give the 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 the Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Any such sale may be held in conjunction with any foreclosure sale of the Property. If the Bank so elects, the Property 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 the Bank, shall be applied against the Obligations in such order or manner as the Bank shall select. The Bank will account to the Mortgagor for any surplus realized on such disposition.

(d) The terms and provisions contained in this section, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

(e) This Mortgage is intended to be a financing statement within the purview of Section 9-502(3) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Property.

10. **Restrictions on Transfer**. The Mortgagor, without the prior written consent of the Bank, shall not effect, suffer or permit any Prohibited Transfer (as defined herein).

(a) Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "Prohibited Transfer":

(i) The Property or any part thereof or interest therein, excepting only sales or other dispositions of Collateral no longer useful in connection with the operation of the Property ("Obsolete Collateral"), 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) Ownership or control of the Mortgagor, unless permitted under the Loan Documents;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this section shall not apply (i) to the lien of current taxes and assessments not in default, or (ii) to leases permitted by the terms of the Loan Documents, if any.

(b) In determining whether or not to make the loan secured by this Mortgage, the Bank evaluated the background and experience of the Mortgagor in owning and operating

property such as the Property, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Property which is the Bank's security for the Obligations. The Mortgagor further recognizes that any secondary junior financing placed upon the Property (i) may divert funds which would otherwise be used to pay the Obligations; (ii) could result in acceleration and foreclosure by any such junior encumbrancer which would force the Bank to take measures and incur expenses to protect its security; (iii) would detract from the value of the Property should the Bank come into possession thereof with the intention of selling same; and (iv) would impair the Bank's right to accept a deed in lieu of foreclosure, as a foreclosure by the Bank would be necessary to clear the title to the Property. In accordance with the foregoing and for the purposes of (a) protecting the Bank's security, both of repayment and of value of the Property; (b) giving the Bank the full benefit of its bargain and contract with the Mortgagor; (c) keeping the Property free of subordinate financing liens, the Mortgagor agrees that if this section is deemed a restraint on alienation, that it is a reasonable one.

11. **Single Asset Entity.** The Mortgagor shall not hold or acquire, directly or indirectly, any ownership interest (legal or equitable) in any real or personal property other than the Property, or become a shareholder of or a member or partner in any entity which acquires any property other than the Property, until such time as the Obligations have been fully repaid. The operating agreement of the Mortgagor shall limit its purpose to the acquisition, operation, management and disposition of the Property, and such purposes shall not be amended without the prior written consent of the Bank. The Mortgagor covenants:

(c) 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, except that Mortgagor's financial position, assets, results of operations and cash flows may be included in the consolidated financial statements of an affiliate; provided, however, that any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(d) To conduct its own business in its own name, allocate fairly and reasonably any overhead for shared employees and office space, to maintain an arm's length relationship with its affiliates, and to pay its own liabilities out of its own funds, to the extent of revenue generated from the operation of the Property; provided, however, the foregoing covenant shall not require the members or managers of the Mortgagor to make any additional capital contributions to the Mortgagor or cause personal liability;

(e) 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 to the extent available only from the cash flow generated from the operation of the Property, and observe all organizational formalities;

(f) 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;

(g) 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;

(h) Not to enter into any contract or agreement with any party which is directly or indirectly controlling, controlled by or under common control with the 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;

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

(j) The 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 the Mortgagor, any Affiliate or any other person;

(k) The 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 the Mortgagor has been paid in full prior to or through application of proceeds from the funding of the Loan.

Notwithstanding any contrary provision in this Mortgage or in any of the Loan Documents, the following operations and activities of Borrower and its Affiliates shall not be considered a violation of the covenants contained in this Section 11: (1) offering services to residents of the Property through Affiliates of Mortgagor or other third parties for which fees and charges may be collected by Mortgagor or the Affiliate and paid to such Affiliate or third party, which may include, without limitation, cable and internet services, landscaping, snow removal, lease or sale of manufactured homes, and child care; provided that such Affiliates do not conduct their business in the name of Mortgagor and that any agreements between Mortgagor and its Affiliates relating to such services are on commercially reasonable terms similar to those of an arm's length transaction; (2) depositing all gross revenue, whether cash, cash equivalents or similar assets, in an operating account maintained specifically for the Property (a "Property Operating Account"), after paying expenses of Mortgagor or causing Sun Communities Operating Limited Partnership, a Michigan limited partnership ("SCOLP"), and/or Sun Communities, Inc., a Michigan corporation ("Sun"), to pay such expenses, and distributing such remaining cash to Sun, SCOLP, or at the direction of Sun or SCOLP, as applicable, to any other Affiliate of Mortgagor, and in any case, distributing such remaining cash that does not belong to the Mortgagor promptly to such entities; (3) paying all payables, debts and other liabilities arising from or in connection with the operation of the Property from the Property Operating Account, or causing SCOLP and/or Sun to pay such liabilities; (4) using ancillary assets in connection with the operation of the Property held in the name of Sun, SCOLP, or any of their Affiliates, such as vehicles and office and maintenance equipment; (5) treating the Property for all purposes as part of and within the portfolio of manufactured housing communities owned by SCOLP or its Affiliates, for marketing, promotion and providing information and reports to the public or as required by any applicable law; provided, however, that Mortgagor shall conduct business in its own name or its assumed or trade name; and/or (6) allocating general overhead and administrative costs incurred by Sun and SCOLP and/or other Affiliates of Mortgagor in a fair and equitable manner.

12. **Events of Default, Foreclosure; Expense of Litigation.** If an event of default, as defined in the Loan Documents, shall occur under the Obligations (an "Event of Default"), the Bank may, at its option, declare the whole of the Obligations to be immediately due and payable without further notice to the Mortgagor. When all or any part of the Obligations shall become due, whether by acceleration or otherwise, the Bank shall have the right to foreclose this Mortgage and sell the Property at public auction or venue pursuant to applicable law. In the event of a foreclosure sale, the Bank is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at such sale or to take such other steps as the Bank may deem advisable to cause the interest of such purchaser to be protected by any of such insurance policies.

(a) Mortgagor agrees to pay all of Bank's costs and expenses, including reasonable attorney fees, which shall be added to the Obligations secured by this Mortgage. At any foreclosure sale, Mortgagor agrees that in its foreclosure sale bid price the Bank shall be allowed to deduct from the appraised value of the Property: (i) a brokerage commission of not more than ten percent (10%) of the Property value; (ii) the unpaid balance of any mortgage or other liens which have priority over the lien of this Mortgage; and (iii) the sum of all unpaid property taxes and assessments and insurance premiums due and to become due on the Property through the date upon which the foreclosure redemption period shall expire. Any foreclosure sale may, at the sole option of the Bank, be made en masse or in parcels, any law to the contrary notwithstanding, and Mortgagor hereby knowingly, voluntarily and intelligently waives any right to require any such foreclosure sale to be made in parcels or any right to select which parcels shall be sold. The proceeds of any foreclosure sale shall be applied, as the Bank elects, to the payment of Bank's collection and other expenses, including reasonable attorney fees, and/or payment of the Obligations, with the surplus, if any, to Mortgagor or Mortgagor's successor in interest. Commencement of proceedings to foreclose this Mortgage in any manner authorized by law shall be deemed an exercise of the Bank's option to accelerate the Obligations. After the date upon which the maturity of the Obligations secured by this Mortgage has been accelerated, Bank acceptance of any amount(s) paid by Mortgagor less than the full unpaid principal balance of the Obligations plus accrued interest, late charges and Bank's costs and expenses in this Mortgage described, shall not waive the default or acceleration, but shall only be credited upon the unpaid balance of the Obligations unless the Bank specifically agrees in writing to waive any such default and/or acceleration.

(b) The Bank may procure mortgage foreclosure or title reports. Mortgagor covenants to pay forthwith to the Bank all sums paid for such purposes with interest at the highest rate applicable to the Obligations, and such sums and the interest thereon shall constitute a further lien upon the Property. The Bank may also procure appraisals, environmental audits and such other investigations or analyses of the Property as the Bank may determine to be required by regulatory or accounting rules, procedures or practices or to otherwise be prudent or necessary. Mortgagor shall grant the Bank free and unrestricted access to the Property for such purposes. Mortgagor covenants to pay forthwith to the Bank all sums paid for such purposes with interest at the highest rate applicable to the Obligations, and such sums and the interest thereon shall constitute a further lien upon the Property.

13. **Appointment of Receiver.** In conjunction with any foreclosure of this Mortgage, Bank shall be entitled to seek the appointment of a receiver for the Property in accordance with applicable law. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the value of the Property or whether the same shall be then occupied as a homestead or not and the Bank 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 Property (i) during the pendency of such foreclosure, (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 the 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 Property during said period, including, to the extent permitted by law, the right to lease all or any portion of the Property 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 Obligations, 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.

14. **Bank's Right of Possession in Case of Default.** At any time after an Event of Default has occurred, the Mortgagor shall, upon demand of the Bank, surrender to the Bank possession of the Property. The Bank, in its discretion, may, with process of law, enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers and accounts relating thereto, and may exclude the Mortgagor and its employees, agents or servants therefrom, and the Bank may then hold, operate, manage and control the Property, either personally or by its agents. The Bank 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 Property, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent. Without limiting the generality of the foregoing, the Bank shall have full power to: (a) cancel or terminate any lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same; (b) elect to disaffirm any lease or sublease 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 the Mortgagor and all persons whose interests in the Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations, 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 Property as the Bank deems are necessary; (e) insure and reinsure the Property and all risks incidental to the Bank's possession, operation and management thereof.

15. **Rights Cumulative.** Each right, power and remedy herein conferred upon the Bank 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 the Bank, 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 the Bank 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.

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

17. **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 to the Mortgagor or the Bank at the address shown for each party, respectively, in the first paragraph of this Mortgage 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 section 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 sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

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

(a) The Mortgagor shall forthwith give notice of any Contested Lien to the Bank at the time the same shall be asserted;

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

19. **Further Instruments.** Upon request of the Bank, the 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 intent of this Mortgage and of the other Loan Documents.

20. **Indemnity.** The Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against the Bank in the exercise of the rights and powers granted to the Bank in this Mortgage, and the Mortgagor hereby expressly waives and releases any such liability, except to the extent resulting from the gross negligence or willful misconduct of the Bank. The Mortgagor shall indemnify and save the Bank 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 the Bank 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 the Bank 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 Property; and (c) the ownership, leasing, use, operation or maintenance of the Property, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Property to the Bank in accordance with the terms of this Mortgage; provided, however, that the Mortgagor shall not be obligated to indemnify or hold the Bank harmless from and against any Claims directly arising from the gross negligence or willful misconduct of the Bank. All costs provided for herein and paid for by the Bank shall be so much additional Obligations and shall become immediately due and payable upon demand by the Bank and with interest thereon from the date incurred by the Bank until paid at the highest rate provided in the Loan Documents.

21. **Environmental Representations, Warranties, Covenants and Indemnification.** The Mortgagor represents and warrants to the Bank that neither the Property nor the operations of the Mortgagor are in violation of any Environmental Law or any permit or authorization issued pursuant thereto. No Hazardous Substances have been released on or from the Property in violation of any Environmental Laws. The Mortgagor covenants and agrees to at all times strictly observe and promptly comply with all Environmental Laws and shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Laws ("Environmental Liens"). The Mortgagor shall promptly notify the Bank in writing if the Mortgagor knows, suspects or believes there is or are (a) any Hazardous Substances, other than those used by the Mortgagor or tenants under leases at the Property in the ordinary course of their occupancy and/or businesses and in compliance with all Environmental Laws, present on the Property; (b) any release of Hazardous Substances in, on, under, from or migrating

towards the Property; (c) any non-compliance with Environmental Laws related in any way to the Property; (d) any actual or potential Environmental Liens; (e) any investigation or action or claim, whether threatened or pending, by any governmental agency or third party pertaining to the Release of Hazardous Substances in, on, under, from, or migrating towards the Property. Mortgagor agrees to allow the Bank or its agent access to the Property to confirm Mortgagor's compliance with all Environmental Laws and Bank may once each calendar year without cause and, at any time upon reasonable information to believe that there is a potential violation of, or liability under, the Environmental Laws, at Mortgagor's sole cost and expense, hire, or require Mortgagor to hire, an environmental consultant (subject to Bank's approval which is not to be unreasonably withheld) to inspect, test and audit the Property and advise the Bank concerning Mortgagor's compliance with Environmental Laws. Any costs paid by Bank for violations of Environmental Laws or to hire an environmental consultant shall be added to the Obligations secured by this Mortgage. Mortgagor agrees to indemnify and hold the Bank harmless from any and all losses, costs, suits, harm, liability, and damages of any and every kind, including reasonable attorney fees, which result from or are related to any violation(s) by Mortgagor or Mortgagor's predecessors in title to the Property of any Environmental Laws, and agrees that such indemnity shall survive the foreclosure or discharge of this Mortgage and shall continue so long as Bank has any interest in or liability for the Property. "Environmental Laws" shall mean any and all federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority with jurisdiction over the Property and/or the Mortgagor relating to or imposing liability or standards of conduct (including disclosure or notification) concerning protection of human health or the environment or Hazardous Substances or any activity involving Hazardous Substances, all as previously and in the future to be amended. "Hazardous Substance" shall mean, but is not limited to, any substance, chemical, material or waste (a) the presence of which causes a nuisance or trespass of any kind; (b) which is regulated by any federal, state or local governmental authority because of its toxic, flammable, corrosive, reactive, carcinogenic, mutagenic, infectious, radioactive, or other hazardous property or because of its effect on the environment, natural resources or human health and safety, including, but not limited to, petroleum and petroleum products, asbestos-containing materials, polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives; or (c) which is designated, classified, or regulated as being a hazardous or toxic substance, material, pollutant, waste (or a similar such designation) under any federal, state or local law, regulation or ordinance, including under any Environmental Law such as the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §11001 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §1801 et seq.), or the Clean Air Act (42 U.S.C. §7401 et seq.).

22. **Miscellaneous.**

(a) **Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon and enforceable against the Mortgagor and its assigns and other successors. This Mortgage and all provisions hereof shall inure to the benefit of the Bank, 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, the Mortgagor and the Bank 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 Ohio.

(c) **Municipal Requirements.** The 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 Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and the Mortgagor hereby assigns to the Bank any and all rights to give consent for all or any portion of the Property or any interest therein to be so used. Similarly, no building or other improvement on the Property 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 the Mortgagor which would result in a violation of any of the provisions of this subsection shall be void.

(d) **Option of Bank to Subordinate.** At the option of the Bank, 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 Property upon the execution by the Bank of a unilateral declaration to that effect and the recording thereof in the Office of the Register of Deeds in and for the county wherein the Property are situated.

(e) **Mortgagee-in-Possession.** Nothing herein contained shall be construed as constituting the Bank a mortgagee-in-possession in the absence of the actual taking of possession of the Property by the Bank pursuant to this Mortgage.

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

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

(h) **No Merger.** The parties hereto intend that the Mortgage and the lien hereof shall not merge in fee simple title to the Property, and if the Bank acquires any additional or other interest in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by the Bank 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.

(i) **CONSENT TO JURISDICTION. TO INDUCE THE BANK TO EXTEND THE OBLIGATIONS, THE MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO THE BANK'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE OBLIGATIONS AND THIS MORTGAGE, OTHER THAN FORECLOSURE, WILL BE LITIGATED IN COURTS HAVING SITUS IN OAKLAND COUNTY, MICHIGAN. THE MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN OAKLAND COUNTY, MICHIGAN, WAIVES PERSONAL SERVICE OF PROCESS UPON THE MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL**



DIRECTED TO THE MORTGAGOR AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

(j) **WAIVER OF JURY TRIAL.** THE MORTGAGOR AND THE BANK (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE BANK OR ANY OTHER PERSON INDEMNIFIED UNDER THIS MORTGAGE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

(k) **Complete Agreement.** This Mortgage 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 the Mortgagor and the Bank.

*[SIGNATURE PAGE FOLLOWS]*

**MORTGAGOR:**

**APPLE ORCHARD, L.L.C.**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership

Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation

Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Notary Acknowledgement

The foregoing instrument was acknowledged before me in \_\_\_\_\_ County, Michigan, on \_\_\_\_\_, by \_\_\_\_\_ of Sun Communities, Inc., a Maryland corporation, which is the general partner of Sun Communities Operating Limited Partnership, a Michigan limited partnership, which is the sole member of **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company, on behalf of the company.

Notary's Signature: \_\_\_\_\_  
Notary's Name: \_\_\_\_\_  
Notary Public, State of Michigan, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_  
Acting in the County of: \_\_\_\_\_

DRAFTED BY:

Daniel C. Watson, Esq.  
Dykema Gossett PLLC  
400 Renaissance Center  
Detroit, Michigan 48243

WHEN RECORDED RETURN TO:

LaSalle Bank Midwest N.A.  
c/o LaSalle Bank N.A.  
Attn: Rita Gomez MC74-00  
4747 W. Irving Road  
Chicago, Illinois 60641

LEGAL DESCRIPTION OF REAL ESTATE

Land situated in the County of Clermont, Township of Miami, State of Ohio, is described as follows:

Parcel 1

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Beginning at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West 29.71 feet from a 1 inch iron pipe at the Northwest corner of lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 second East 265.47 feet to a 1/2 inch iron pin; thence, with the line of H. Wayne Klekamp, Inc. and fenced line of Bertie Trester, South 06 degrees 36 minutes 08 seconds West 888.99 feet to a 5/8 inch iron pin; thence, with the North line of By-Pass StateRoute 28, South 71 degrees 27 minutes 11 seconds West 452.65 feet to a 5/8 inch iron pin; thence, continuing with said North line of said By-Pass State Route No. 28, South 67 degrees 31 minutes 49 seconds West, 434.44 feet to a 5/8 inch iron pin; thence with the fenced line of B & R Partnership, North 13 degrees 49 minutes 16 seconds East 609.49 feet to a 3/4 inch iron pin; thence, with the fenced line of Paul and Janet Bilton, North 81 degrees 00 minutes 48 seconds East 180.74 feet to a 3/4 inch iron pin; thence, with the fenced line of Mulberry Wesleyan Church, Inc., North 54 degrees 54 minutes 10 seconds East 359.78 feet to a 1 inch pipe; thence continuing with said fenced line of Mulberry Wesleyan Church, Inc. North 66 degrees 31 minutes 42 seconds East 151.50 feet to a 3/8 inch iron pin, thence, continuing with said fenced line of Mulberry Wesleyan Church, Inc., North 18 degrees 31 minutes 24 seconds West 58.02 feet to a 1 inch pipe, thence, with said line of Mulberry Wesleyan Church, Inc., and Harry Kapourales, North 75 degrees 09 minutes 36 seconds East, 170.08 feet to a 1/2 inch iron pin; thence, continuing with said line of said Harry Kapourales and passing a 5/8 inch iron pin at 232.09 feet, North 13 degrees 17 minutes 13 seconds West 262.09 feet to State Route No. 28; thence with said State Route No. 28, North 77 degrees 12 minutes 47 seconds East 94.23 feet to the beginning. The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county.

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835

Parcel 2

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Commencing at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West, 29.71 feet from a 1 inch iron pipe at the Northwest corner of Lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said Lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 seconds East 265.47 feet to a 1/2 iron pin; thence, with the line of H. Wayne Klekamp, Inc., fenced line of Bertie Trester and crossing the State Route No. 28 by-pass, South 06 degrees 36 minutes 08 seconds West 1120.97 feet to a 5/8 inch iron pin and the beginning; thence, with the fenced line of Rosa Trester and West line of Lakeside Park Subdivision, South 06 degrees 36 minutes 08 seconds West 656.69 feet to a 1/2 inch iron pin; thence with the line of Jerome L. Decker North 72 degrees 10 minutes 36 seconds West, 196.61 feet to a 5/8 inch iron pin; thence continuing with said line of Jerome L. Decker, South 37 degrees 05 minutes 47 seconds West 349.43 feet to a 1/2 inch iron pin; thence with the line of Betty Swafford and fenced line of Donald Gordon, North 73 degrees 48 minutes 40 seconds West 591.53 feet to a 1/2 inch iron pin; thence,

continuing with said fenced line of Donald Gordon and fenced line of Elsie Walker, North 35 degrees 18 minutes 04 seconds East 357.85 feet to a 5/8 inch iron pin; thence, continuing with said fenced line of Elsie Walker, North 72 degrees 19 minutes 17 seconds West, 50.08 feet to a 1/2 inch iron pin; thence with the fenced line of the Board of County Commissioners, North 13 degrees 49 minutes 16 seconds East 163.75 feet to a 5/8 inch iron pin; thence with the South line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 583.81 feet to a 5/8 inch iron pin; thence, continuing with said South line of By-Pass State Route No. 28, South 13 degrees 21 minutes 01 seconds East 41.17 feet to a 5/8 inch iron pin; thence, still continuing with the south line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 295.68 feet to the beginning.

The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835.

#### Parcel 3

Situated in Pierson's Military Survey No. 928 and Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows: Beginning at an iron pin set at the southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with the South line of Lot No. 8, as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East for a distance of 449.88 feet to an iron pin set corner to lands of Edgar Lawson; thence with the lines of said Lawson the following three courses and distances, (1) South 12 degrees 58 minutes 13 seconds West for a distance of 579.29 feet to an iron pin set; (2) North 86 degrees 11 minutes 40 seconds West for a distance of 462.91 feet to an iron pin set; (3) South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner of lands of the Clermont Christian Assembly, Inc., thence with the north line of The Clermont Christian Assembly, Inc. North 84 degrees 13 minutes 43 seconds West for a distance of 1597.30 feet to an existing iron pin corner to lands of Martha and Karen Simpson; thence with the East line of said Simpson and the East line of Elmer and Marjorie Parker North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike in the centerline of Back Run Road; thence leaving said road with the South line of lands of Steven and Karen Seipelt South 84 degrees 44 minutes 18 seconds East (passing an iron pin set at 25.00 feet) for a total distance of 637.57 feet to an existing iron pipe corner to said Seipelt; thence with the Easterly lines of said Seipelt and the Easterly line of Jessie and Judith Cowans the following two courses and distances (1) North 06 degrees 42 minutes 55 seconds West for a distance of 26.05 feet to an existing iron pipe at an angle point in Seipelt's Easterly line (2) North 30 degrees 41 minutes 42 seconds East for a distance of 661.30 feet to an existing iron pipe corner to said Cowans; thence with the North line of Cowans North 84 degrees 35 minutes 35 seconds West for a distance of 594.03 feet to an existing iron pipe corner to lands of Mamie Kemper; thence with the East line of said Kemper and partially with the East line of Lands of Terry and Beverly Hoskins North 12 degrees 11 minutes 18 seconds East for a distance of 891.21 feet to an iron pin set corner to lands of the Bethel Jehovah's Witnesses; thence with the lines of the Bethel Jehovah's Witnesses the following three (3) courses and distances, (1) South 86 degrees 24 minutes 00 seconds East for a distance of 236.94 feet to an iron pin set; (2) North 03 degrees 36 minutes 00 seconds East for a distance of 66.00 feet to an iron pin set; (3) South 86 degrees 24 minutes 00 seconds East for a distance of 33.00 feet to an iron pin set corner to lands of Dale and Irene DeWeese; thence with the Southerly line of said DeWeese South 61 degrees 24 minutes 00 seconds East for a distance of 161.15 feet to an existing iron pin corner of lands of Clermont Metropolitan Housing Authority; thence with the lines of said Clermont Metropolitan Housing Authority the following six (6) courses and distances, (1) South 35 degrees 56 minutes 13 seconds East for a distance of 183.96 feet to an iron pin set; (2) South 61 degrees 48 minutes 54 seconds East for a distance of 157.41 feet to a wood post; (3) North 77 degrees 59 minutes 07 seconds East for a distance of 131.22 feet to an iron pin set; (4) North 08 degrees 28 minutes

57 seconds East for a distance of 82.52 feet to an iron pin set; (5) South 83 degrees 59 minutes 06 seconds East for a distance of 91.94 feet to an iron pin set; (6) North 08 degrees 40 minutes 57 seconds East (passing an iron pin set 530.64 feet) for a total distance of 593.32 feet to a point in the centerline of State Route No. 125; thence with said centerline South 78 degrees 37 minutes 16 seconds East for a distance of 292.37 feet to a point; thence leaving said road with the West line of Lot No. 7 of East Fork Commercial Park the following two (2) courses and distances, (1) South 07 degrees 42 minutes 03 seconds West for a distance of 693.99 feet to a 36' ash tree; South 05 degrees 56 minutes 01 seconds West for a distance of 677.35 feet to the place of beginning.

EXCEPTING Therefrom the following described parcels:

Situated in Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows:

Commencing at an iron pin located at the Southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with South line of Lot No. 8 as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East 449.88 feet to the corner of lands of Edgar Lawson; thence with the lines of said Lawson the following three (3) courses: South 12 degrees 58 minutes 13 seconds West 579.29 feet, North 86 degrees 11 minutes 40 seconds West 462.91 feet to an iron pin found, South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner to lands of The Clermont Christian Assembly, Inc., as recorded in Deed Book 532, page 374, Clermont County Recorder's Office; thence with the North line of said Clermont Christian Assembly, Inc., North 84 degrees 13 minutes 43 seconds West 1330.81 feet to a 5/8" diameter iron pin set at the Point of Beginning of this described real estate; thence from said point of beginning continuing North 84 degrees 13 minutes 43 seconds West 266.49 feet to an existing iron pin corner to lands of Karen L. Simpson, as recorded in Official Record 794, page 877, Clermont County Recorder's Office; thence with the East line of said Simpson and the East line of Elmer Parker, Jr., as recorded in Official Record 1084, page 248 of the Clermont County Recorder's Office, North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike located in the centerline of Back Run Road; thence leaving said road with the South line of lands of Roy L. and Brenda D. Lindsey as recorded in Official Record 1342, page 800, Clermont County Recorder's Office, South 84 degrees 44 minutes 18 seconds East, passing an existing iron pin at 25.00 feet for a total distance of 177.74 feet to a set 5/8" diameter iron pin; thence leaving said line of Lindsey, through grantor's property along a new severance line the following four (4) courses: South 03 degrees 29 minutes 54 seconds West 39.63 feet to a set 5/8" diameter iron pin, North 86 degrees 30 minutes 06 seconds West 12.74 feet to a set 5/8" diameter iron pin, South 64 degrees 19 minutes 28 seconds West 50.00 feet to a set 5/8" diameter iron pin, and South 04 degrees 13 minutes 43 seconds East 384.25 feet to the point of beginning.

Right to access and construct utilities including sanitary sewer, public water, electric, gas cable and telephone located or to be located along Back Run Road through and above described tract, and to retain rights for drainage easements and storm piping through the above tract.

ALSO EXCEPTING

Situated in the State of Ohio, County of Clermont, Township of Monroe, Virginia Military District, situated in Jones M.S. No. 934 and being more particularly described as follows:

Beginning for reference at the intersection of the existing centerline of S.R. 125 with the Easterly line of Jones M.S. No. 934, said point being centerline of survey Station 491+57.52; thence North 75 degrees 49 minutes 28 seconds East 21.76 feet to a point at 9.72 feet left of centerline Station 491+76.98 and being the True Point of Beginning; thence South 09 degrees 04 minutes 08 seconds West 91.68 feet along the Grantor's Easterly line to an iron pin set at 81.75 feet right of centerline Station 491+82.25 (passing an iron pin found at 90.79 feet); thence North 88 degrees 17 minutes 47 seconds West 17.54 feet along the

existing Southerly Right-of Way line to an iron pin set 85.00 feet right of centerline Station 491+65.00; thence North 68 degrees 29 minutes 02 seconds West, 157.14 feet along the existing Southerly Right-of-Way line to an iron pin set 60.00 feet right of centerline Station 490+09.88; thence North 72 degrees 43 minutes 43 seconds West 123.24 feet along the existing Southerly Right of Way line to an iron pin found 54.22 feet right of centerline Station 488+91.18; thence North 10 degrees 03 minutes 08 seconds East 59.98 feet along the Grantor's Westerly line to a point 5.32 feet left of centerline Station 488+84.09; thence South 77 degrees 29 minutes 25 seconds East 292.34 feet along the Grantor's Northerly line to the True Point of Beginning.

This description is based on a survey made under the direction and supervision of Steven W. Newell, Professional Surveyor Number 7212 in May, 2001

EXHIBIT B

PERMITTED EXCEPTIONS

1. General real estate taxes for the year 2008 and each year thereafter not yet due and payable.
2. Exception Nos. 8 through 21, inclusive, contained on Orchard Lake Schedule B, Section 2 and exception Nos. 8 through 20, inclusive, contained on Apple Creek Schedule B, Section 2 of LandAmerica Lawyers Title Insurance Corporation Commitment No. 11307377/08001394, dated May 20, 2008.

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**COMMERCIAL MORTGAGE**

This **COMMERCIAL MORTGAGE** dated as of \_\_\_\_\_, 2008 (the "Mortgage"), is executed by **SUN LAKEVIEW LLC**, a Michigan limited liability company, whose address is 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 (the "Mortgagor"), to and for the benefit of **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association, whose address is 2600 West Big Beaver Road, Troy, Michigan 48084, its successors and assigns (the "Bank").

**R E C I T A L S:**

A. **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "Borrower"), desires to borrow funds and obtain other financial accommodations from the Bank, including, without limitation, a loan evidenced by a promissory note from the Borrower to the Bank, dated \_\_\_\_\_, in the principal amount of TWENTY SEVEN MILLION and 00/100 Dollars (\$27,000,000.00) (as amended, restated or replaced from time to time, the "Note").

B. As a condition to the Bank's loaning funds or providing other financial accommodations to the Borrower, the Bank requires that the Mortgagor grant this Mortgage in order to secure the obligations and performance of the Borrower under such loans or financial accommodations.

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

**A G R E E M E N T S:**

The Mortgagor hereby mortgages and warrants to the Bank, its successors and assigns, and grants to the Bank, its successors and assigns, a security interest in Mortgagor's interest in and to, the following described property, rights and interests (referred to collectively herein as the "Property"):

- (a) The real estate located in the State of Michigan and legally described on Exhibit A attached hereto and made a part hereof (the "Real Estate");
- (b) All improvements of every nature whatsoever now or hereafter situated on the Real Estate, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing (the "Improvements");



(c) 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 the Mortgagor of, in and to the same;

(d) All rents, revenues, issues, profits, proceeds, income, royalties, Letter of Credit Rights (as defined in the Uniform Commercial Code of the State of Michigan (the "Code") in effect from time to time), escrows, security deposits, impounds, reserves, tax refunds and other rights to monies from the Property and/or the businesses and operations conducted by the Mortgagor thereon;

(e) All interest of the Mortgagor in all leases and rental agreements (including, without limitation, oil and gas leases and any specific lease(s) described in an attachment to this Mortgage), written or unwritten, now or hereafter demising the Property in whole or in any part, and all amendments, modifications, extensions, renewals, substitutions and replacements for any of the foregoing (each, a "Lease", and collectively, the "Leases"), together with all security therefor and all monies payable thereunder;

(f) All fixtures and articles of personal property now or hereafter owned by the Mortgagor and located on or 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, computer hardware and software used in the operation of the Property, 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, together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by the Mortgagor or on its behalf; it being mutually agreed that all of the aforesaid property owned by the 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 Obligations; 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 realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute Goods (as defined in the Code), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in the Bank, as a Secured Party, and the Mortgagor, as Debtor, all in accordance with the Code;

(g) All of the 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 Property, including, without limitation, all of the Mortgagor's right, title and interest in and to: (i) all agreements, licenses, permits and contracts to which the Mortgagor is or may become a party and which relate to the Property; (ii) all obligations and indebtedness owed to the

Mortgagor thereunder; (iii) all intellectual property related to the Property; and (iv) all choses in action and causes of action relating to the Property;

(h) All of the Mortgagor's accounts now owned or hereafter created or acquired as relate to the Property and/or the businesses and operations conducted thereon, including, without limitation, all of the following now owned or hereafter created or acquired by the Mortgagor: (i) Accounts (as defined in the Code), contract rights, 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) the Mortgagor's rights in, to and under all purchase orders for goods, services or other property; (iii) the Mortgagor's rights to any goods, services or other property represented by any of the foregoing; (iv) monies due or 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); (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 (vii) all warranties, guarantees, permits and licenses in favor of the Mortgagor with respect to the Property; and

(i) 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 Property or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Property or proceeds of any sale, option or contract to sell the Property or any portion thereof;

FOR THE PURPOSE OF SECURING all loans, advances and other financial accommodations, including any renewals or extensions thereof, from the Bank to the Borrower and/or the Mortgagor and any and all indebtedness, liabilities and obligations of any and every kind and nature heretofore, now or hereafter owing from the Borrower and/or the Mortgagor to the Bank, however incurred or evidenced, whether primary, secondary, contingent or otherwise, whether arising under the Note, and any and all extensions and renewals thereof, this Mortgage, under any other security agreement(s), promissory note(s), guaranty(s), mortgage(s), lease(s), letter(s) of credit, interest rate, currency or commodity swap agreement(s), cap agreement(s) or collar agreement(s), and any other agreement(s) or arrangement(s) designed to protect the Borrower against fluctuations in interest rates, currency exchange rates or commodity prices, or any other instrument(s), document(s), contract(s) or agreement(s) heretofore, now or hereafter executed by Borrower and/or the Mortgagor and delivered to the Bank or to or under which Borrower and/or the Mortgagor or any subsidiary or affiliate of Borrower and/or the Mortgagor is a party or beneficiary (collectively, the "Loan Documents"), or by oral agreement or by operation of law, plus all interest, costs, expenses and reasonable attorney fees which may be made or incurred by the Bank in the disbursement, administration or collection of such indebtedness, liabilities and obligations and in the protection, maintenance and liquidation of any collateral for such indebtedness, liabilities and obligations, and ANY FUTURE ADVANCES, WITH INTEREST THEREON, made to the Borrower and/or the Mortgagor by the Bank which are secured by this Mortgage pursuant to the provisions hereof (collectively, the "Obligations"). The Mortgagor covenants to pay when due any Obligations for which it is liable in accordance with the terms of the Loan Documents and duly perform and observe all of the terms, covenants and conditions to be observed and performed by the Mortgagor under the Note, this Mortgage and the other Loan Documents.

FUTURE ADVANCE MORTGAGE. This Mortgage is a "Future Advance Mortgage" under Public Act 348 of Michigan Public Acts of 1990. All future advances under the Loan Documents shall

have the same priority as if the future advance was made on the date that this Mortgage was recorded. This Mortgage shall secure all indebtedness of the Mortgagor, its successors and assigns under the Loan Documents, whenever incurred, such indebtedness to be due at the times provided in the Loan Documents. Notice is hereby given that the indebtedness secured hereby may increase as a result of any defaults hereunder by Mortgagor due to, for example, and without limitation, unpaid interest or late charges, unpaid taxes or insurance premiums which Bank elects to advance, defaults under leases that Bank elects to cure, attorney fees or costs incurred in enforcing the Loan Documents or other expenses incurred by Bank in protecting the premises, the security of this Mortgage or Bank's rights and interests.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. **Title.** The Mortgagor represents, warrants and covenants that (a) the Mortgagor is the holder of the fee simple title to the Property, free and clear of all liens and encumbrances, except those liens and encumbrances in favor of the Bank and as otherwise described on Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions"); and (b) the Mortgagor has legal power and authority to mortgage and convey the Property.

2. **Assignment of Rents and Leases.** As additional security for the Obligations and performance of the covenants and agreements set forth herein, pursuant to Michigan Compiled Laws 565.81 et seq. and Michigan Compiled Laws 554.231 et seq., each as amended, Mortgagor hereby assigns to the Bank, and grants Bank a security interest in, any and all Leases, and all rents, issues, income and profits derived from the use of the Property or any portion thereof, whether due or to become due. These assignments shall run with the land and shall be good and valid against Mortgagor and all persons claiming by, under, or through Mortgagor from the date of recording of this Mortgage and shall continue to be operative during foreclosure or any other proceedings taken to enforce this Mortgage. If any foreclosure sale results in a deficiency, the assignments shall continue as security during the foreclosure redemption period. Mortgagor covenants with and warrants to Bank that as of the date of this Mortgage:

(a) Each Lease is in full force and effect and there are no defaults existing thereunder; and

(b) Mortgagor has not, except as may be described in an attachment, if any, to this Mortgage: (1) executed or granted any prior assignment, encumbrance, or security interest in any Lease or the rentals thereunder; (2) performed any acts or executed any other instruments or agreements which would limit or prevent Bank from obtaining the benefit of and exercising its rights conferred by this Mortgage; or (3) executed or granted any modification of any Lease, either orally or in writing.

(c) As of the date of this Mortgage and for so long as any of the Obligations remains unpaid or unperformed:

(i) Mortgagor shall promptly inform Bank of, assign, and deliver, any subsequent Lease of the Property or any part thereof, and make, execute and deliver to the Bank, upon demand, any and all documents, agreements and instruments as may, in Bank's opinion, be necessary to protect the Bank's rights under this Mortgage; provided, that Mortgagor's failure to do so will not impair Bank's interest in or rights with respect to any subsequent Lease, nor in any way affect the applicability of this Mortgage to such Lease and the unpaid rents due or to become due thereunder.

(ii) Mortgagor shall not, without the prior written consent of Bank: (1) cancel or accept surrender of a Lease; (2) modify or alter a Lease in any way, either

orally or in writing; (3) reduce the amount of or postpone payment of any Lease rents; (4) consent to any assignment of the lessee's interest in a Lease, or any subletting thereunder; (5) collect or accept payment of rents under a Lease for more than one (1) month in advance; (6) make any other assignment, pledge, encumbrance, or other disposition of a Lease or any Lease rents, issues, income or profits.

(d) Mortgagor shall perform and discharge each and every obligation, covenant, and agreement required to be performed by the landlord under any Lease and should Mortgagor fail to do so the Bank, at Bank's sole option and without releasing Mortgagor from any such obligation, may make or do the same in such manner and to such extent as the Bank deems necessary to protect its rights and interests under this Mortgage. Any and all costs, expenses and sums paid by the Bank in performing under any Lease, including reasonable attorney fees, shall be added to the Obligations secured by this Mortgage. This assignment of rents is given as collateral security only and will not be construed as obligating Bank to perform any of the covenants or undertakings required to be performed by Mortgagor under any Lease.

3. **Maintenance, Repair, Restoration, Prior Liens, Parking**. The Mortgagor covenants that, so long as any portion of the Obligations remains unpaid, the Mortgagor will: (a) promptly repair, restore or rebuild any Improvements now or hereafter on the Property which may become damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the Property in good condition and repair, without waste, and free from construction or like liens or claims or other liens or claims for lien (subject to the Mortgagor's right to contest liens as permitted by the terms hereof; (c) pay when due any indebtedness which may be secured by a permitted lien or charge on the Property, and upon request furnish satisfactory evidence of the discharge of such lien to the Bank (subject to the Mortgagor's right to contest liens as permitted by the terms of hereof); (d) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Property and the use thereof; (e) 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; (f) make no material alterations in the Property or demolish any portion of the Property without the Bank's prior written consent, except as required by law or municipal ordinance; (g) suffer or permit no change in the use or general nature of the occupancy of the Property, without the Bank's prior written consent; (h) not initiate or acquiesce in any zoning reclassification with respect to the Property, without the Bank's prior written consent; (i) provide and thereafter maintain adequate parking areas within the Property as may be required by law, ordinance or regulation (whichever may be greater), together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and (j) comply, and cause the Property at all times to be operated in compliance, with all applicable federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations.

4. **Payment of Taxes and Assessments**. The Mortgagor will pay before delinquent or the date on which 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 the Mortgagor, if applicable to the Property or any interest therein, or the Obligations, or any obligation or agreement secured hereby, subject to the Mortgagor's right to contest the same, as provided by the terms hereof; and the Mortgagor will, upon written request, furnish to the Bank duplicate receipts therefor within ten (10) days after the Bank's request. After the occurrence of an Event of Default and the expiration of any applicable cure period, the Bank shall have the right to request that the Mortgagor deposit with the Bank monthly such amounts as

estimated by the Bank will be sufficient to establish a fund from which to pay in full each installment of annual Taxes for the current calendar year as it becomes due. Such deposits will be held without any allowance of interest and are to be used for the payment of Taxes next due and payable when they become due. So long as no Event of Default shall exist, the Bank shall, at its option, pay such Taxes when the same become due and payable (upon submission of appropriate bills therefor from the Mortgagor) or shall release sufficient funds to the Mortgagor for the payment thereof. If the funds so deposited are insufficient to pay any such Taxes for any year (or installments thereof, as applicable) when the same shall become due and payable, the Mortgagor shall, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes in full. If the funds so deposited exceed the amount required to pay such Taxes 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 the Bank. The Bank, in making any payment hereby authorized relating to Taxes, may do so according to any bill, statement or estimate procured from the appropriate public office 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. Upon an Event of Default, the Bank may, at its option, apply any monies at the time on deposit to cure an Event of Default or to pay any of the Obligations in such order and manner as the Bank may elect. If such deposits are used to cure an Event of Default or pay any of the Obligations, the Mortgagor shall immediately, upon demand by the Bank, deposit with the Bank an amount equal to the amount expended by the Mortgagor from the deposits. When the Obligations has been fully paid, any remaining deposits shall be returned to the Mortgagor. Such deposits are hereby pledged as additional security for the Obligations and shall not be subject to the direction or control of the Mortgagor. The Bank shall not be liable for any failure to apply to the payment of Taxes any amount so deposited unless the Mortgagor, prior to an Event of Default, shall have requested the Bank in writing to make application of such funds to the payment of such amounts, accompanied by the bills for such Taxes. The Bank shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

5. **Insurance.** The Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property now or hereafter situated on the Property insured against loss or damage by fire and such other hazards as may reasonably be required by the Bank, in accordance with the Bank's current insurance requirements, and such other insurance as the Bank may from time to time reasonably require.

(a) Unless the Mortgagor provides the Bank evidence of the insurance coverages required hereunder, the Bank may purchase insurance at the Mortgagor's expense to cover the Bank's interest in the Property. The insurance may, but need not, protect the Mortgagor's interest. The coverages that the Bank purchases may not pay any claim that the Mortgagor makes or any claim that is made against the Mortgagor in connection with the Property. The Mortgagor may later cancel any insurance purchased by the Bank, but only after providing the Bank with evidence that the Mortgagor has obtained insurance as required by this Mortgage. If the Bank purchases insurance for the Property, the Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which the Bank 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 Obligations. The cost of the insurance may be more than the cost of insurance the Mortgagor may be able to obtain on its own.

(b) The 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 the Bank is included thereon as the loss payee or an additional insured as applicable, under a standard mortgage clause acceptable to the Bank and such separate insurance is otherwise acceptable to the Bank.

(c) In the event of loss, the Mortgagor shall give prompt notice thereof to the Bank, who, if such loss exceeds an amount equal to ten percent (10.00%) of the Obligations (the "Threshold"), shall have the sole and absolute right to make proof of loss. If such loss exceeds the Threshold or if such loss is equal to or less than the Threshold and the conditions set forth in clauses (i), (ii) and (iii) of the immediately succeeding subsection are not satisfied, then the Bank, solely and directly, shall receive such payment for loss from each insurance company concerned. If and only if (i) such loss is equal to or less than the Threshold, (ii) 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, (iii) the Bank determines that the work required to complete the repair or restoration of the Property necessitated by such loss can be completed no later than the maturity date of the earliest maturing Obligation, and (iv) the total of the insurance proceeds and such additional amounts placed on deposit with the Bank by the Mortgagor for the specific purpose of rebuilding or restoring the Improvements equals or exceeds, in the sole and absolute discretion of the Bank, the reasonable costs of such rebuilding or restoration, then the Bank shall endorse to the Mortgagor any such payment and the Mortgagor may collect such payment directly. The Bank shall have the right, at its option and in its sole discretion, to apply any insurance proceeds received by the Bank pursuant to the terms of this section, after the payment of all of the Bank's expenses, either (i) on account of the Obligations, irrespective of whether such principal balance is then due and payable, whereupon the Bank may declare the whole of the balance of Obligations to be due and payable, or (ii) to the restoration or repair of the property damaged as provided in subsection (d) below; provided, however, that the Bank hereby agrees to permit the application of such proceeds to the restoration or repair of the damaged property, subject to the provisions of subsection (d) below, if (i) the Bank has received satisfactory evidence that such restoration or repair shall be completed no later than the maturity date of the earliest maturing Obligation, and (ii) 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 the Mortgagor by the Bank as hereinafter provided, the Mortgagor shall repair, restore or rebuild the damaged or destroyed portion of the Property so that the condition and value of the Property are substantially the same as the condition and value of the Property prior to being damaged or destroyed. Any insurance proceeds applied on account of the unpaid principal balance of the Obligations shall be subject to any prepayment premium provided for in the Loan Documents. In the event of foreclosure of this Mortgage, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale.

(d) If insurance proceeds are made available by the Bank to the Mortgagor, the Mortgagor shall comply with the following conditions:

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

(iv) Prior to each payment or application of any insurance proceeds to the repair or restoration of the improvements upon the Property, the Bank shall be satisfied as to the following:

(A) 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 Property, 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 Property, the Mortgagor has deposited with the Bank such amount of money which, together with the insurance proceeds shall be sufficient to restore, repair and rebuild the Property; and

(B) prior to each disbursement of any such proceeds, the Bank shall be furnished with a statement of the Bank's architect (the cost of which shall be borne by the 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 the Bank and with all statutes, regulations or ordinances (including building and zoning ordinances) affecting the Property; and the Bank shall be furnished with appropriate evidence of payment for labor or materials furnished to the Property, and total or partial lien waivers substantiating such payments.

(v) If the Mortgagor shall fail to restore, repair or rebuild the Improvements within a time deemed satisfactory by the Bank, then the Bank, at its option, may (A) commence and perform all necessary acts to restore, repair or rebuild the said Improvements for or on behalf of the 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 Obligations irrespective of whether such Obligations is then due and payable without payment of any premium or penalty.

6. **Condemnation.** If all or any part of the Property 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 Obligations, is hereby assigned to the Bank, who is empowered to collect and receive the same and to give proper receipts therefor in the name of the Mortgagor and the same shall be paid forthwith to the Bank. Such award or monies shall be applied on account of the Obligations, irrespective of whether such Obligations is then due and payable and, at any time from and after the taking the Bank may declare the whole of the balance of the Obligations to be due and payable. Notwithstanding the provisions of this section to the contrary, if any condemnation or taking of less than the entire Property 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 the Bank, has no material adverse effect on the operation or value of the Property, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by the Mortgagor, and the Bank hereby agrees that in such event it shall not declare the Obligations to be due and payable, if it is not otherwise then due and payable.

7. **Taxation.** If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage or any of the other Loan Documents, the Mortgagor shall pay such tax in the manner required by any such law. The Mortgagor further agrees to reimburse the Bank for any sums which the Bank may expend by reason of the imposition of any such tax. Notwithstanding the foregoing, the Mortgagor shall not be required to pay any income or franchise taxes of the Bank. If any law is enacted after the date hereof requiring (a) the deduction of any lien on the Property from the value thereof for the purpose of taxation or (b) the imposition upon the Bank of the payment of the whole or any part of the Taxes, charges or liens herein required to be paid by the Mortgagor, or (c) a change in the method of taxation of mortgages or debts secured by mortgages or the Bank's interest in the Property, or

the manner of collection of taxes, so as to affect this Mortgage or the Obligations or the holders thereof, then the Mortgagor, upon demand by the Bank, shall pay such Taxes or charges, or reimburse the Bank therefor; provided, however, that the Mortgagor shall not be deemed to be required to pay any income or franchise taxes of the Bank. Notwithstanding the foregoing, if in the opinion of counsel for the Bank, it is or may be unlawful to require the 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 the Bank may declare all of the Obligations to be immediately due and payable.

8. **Bank's Performance of Defaulted Acts and Expenses Incurred by Bank.** If an Event of Default has occurred, the Bank may, but need not, make any payment or perform any act herein required of the Mortgagor in any form and manner deemed expedient by the Bank, 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 Property or consent to any tax or assessment or cure any default of the Mortgagor in any lease of the Property. 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 the Bank in regard to any tax provided for herein or to protect the Property or the lien hereof, shall be so much additional Obligations, and shall become immediately due and payable by the Mortgagor to the Bank, upon demand, and with interest thereon accruing from the date of such demand until paid at the highest rate provided in the Loan Documents. In addition to the foregoing, any costs, expenses and fees, including reasonable attorneys' fees, incurred by the Bank in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting or enforcing any of the Bank's rights hereunder, (c) recovering any Obligations, (d) any litigation or proceedings affecting the Note, this Mortgage, any of the other Loan Documents or the Property, 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 Property, with interest thereon accruing from the date of such demand until paid at the highest rate provided in the Loan Documents, shall be so much additional Obligations, and shall become immediately due and payable by the Mortgagor to the Bank, upon demand. Should any amount paid out or advanced by the Bank hereunder, or pursuant to any agreement executed by the 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 Property or any part thereof, then the Bank 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.

9. **Security Agreement.** The Mortgagor and the Bank agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to all property described herein in which a security interest can be granted under Article 9 of the Code (the "Personal Property"); all of the Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Bank to secure payment of the Obligations.

(a) The only persons having any interest in the Collateral are the Mortgagor, the Bank and holders of interests, if any, expressly permitted hereby.

(b) No Financing Statement (other than Financing Statements showing the Bank 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; the Mortgagor, at its own cost and expense, upon demand, will furnish to the Bank such further information and will execute and deliver to the Bank such financing



statements and other documents in form satisfactory to the Bank and will do all such acts as the Bank 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 Obligations, subject to no other liens or encumbrances, other than liens or encumbrances benefiting the Bank and liens and encumbrances (if any) expressly permitted hereby. The 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 the Bank to be desirable. The Mortgagor hereby irrevocably authorizes the Bank at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto, without the signature of the Mortgagor covering the Collateral and containing such information as is required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed

(c) Upon an Event of Default hereunder, the Bank 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. The Bank will give the 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 the Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Any such sale may be held in conjunction with any foreclosure sale of the Property. If the Bank so elects, the Property 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 the Bank, shall be applied against the Obligations in such order or manner as the Bank shall select. The Bank will account to the Mortgagor for any surplus realized on such disposition.

(d) The terms and provisions contained in this section, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

(e) This Mortgage is intended to be a financing statement within the purview of Section 9-502(3) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Property.

10. **Restrictions on Transfer**. The Mortgagor, without the prior written consent of the Bank, shall not effect, suffer or permit any Prohibited Transfer (as defined herein).

(a) Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "**Prohibited Transfer**":

(i) The Property or any part thereof or interest therein, excepting only sales or other dispositions of Collateral no longer useful in connection with the operation of the Property ("**Obsolete Collateral**"), 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) Ownership or control of the Mortgagor, unless permitted under the Loan Documents;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this section shall not apply (i) to the lien of current taxes and assessments not in default, or (ii) to leases permitted by the terms of the Loan Documents, if any.

(b) In determining whether or not to make the loan secured by this Mortgage, the Bank evaluated the background and experience of the Mortgagor in owning and operating property such as the Property, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Property which is the Bank's security for the Obligations. The Mortgagor further recognizes that any secondary junior financing placed upon the Property (i) may divert funds which would otherwise be used to pay the Obligations; (ii) could result in acceleration and foreclosure by any such junior encumbrancer which would force the Bank to take measures and incur expenses to protect its security; (iii) would detract from the value of the Property should the Bank come into possession thereof with the intention of selling same; and (iv) would impair the Bank's right to accept a deed in lieu of foreclosure, as a foreclosure by the Bank would be necessary to clear the title to the Property. In accordance with the foregoing and for the purposes of (a) protecting the Bank's security, both of repayment and of value of the Property; (b) giving the Bank the full benefit of its bargain and contract with the Mortgagor; (c) keeping the Property free of subordinate financing liens, the Mortgagor agrees that if this section is deemed a restraint on alienation, that it is a reasonable one.

11. **Single Asset Entity.** The Mortgagor shall not hold or acquire, directly or indirectly, any ownership interest (legal or equitable) in any real or personal property other than the Property, or become a shareholder of or a member or partner in any entity which acquires any property other than the Property, until such time as the Obligations have been fully repaid. The operating agreement of the Mortgagor shall limit its purpose to the acquisition, operation, management and disposition of the Property, and such purposes shall not be amended without the prior written consent of the Bank. The Mortgagor covenants:

(c) 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, except that Mortgagor's financial position, assets, results of operations and cash flows may be included in the consolidated financial statements of an affiliate; provided, however, that any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(d) To conduct its own business in its own name, allocate fairly and reasonably any overhead for shared employees and office space, to maintain an arm's length relationship with its affiliates, and to pay its own liabilities out of its own funds, to the extent of revenue generated from the operation of the Property; provided, however, the foregoing covenant shall not require the members or managers of the Mortgagor to make any additional capital contributions to the Mortgagor or cause personal liability;

(e) 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 to the extent available only from the cash flow generated from the operation of the Property, and observe all organizational formalities;

(f) 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;

(g) 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;

(h) Not to enter into any contract or agreement with any party which is directly or indirectly controlling, controlled by or under common control with the 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;

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

(j) The 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 the Mortgagor, any Affiliate or any other person;

(k) The 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 the Mortgagor has been paid in full prior to or through application of proceeds from the funding of the Loan.

Notwithstanding any contrary provision in this Mortgage or in any of the Loan Documents, the following operations and activities of Borrower and its Affiliates shall not be considered a violation of the covenants contained in this Section 11: (1) offering services to residents of the Property through Affiliates of Mortgagor or other third parties for which fees and charges may be collected by Mortgagor or the Affiliate and paid to such Affiliate or third party, which may include, without limitation, cable and internet services, landscaping, snow removal, lease or sale of manufactured homes, and child care; provided that such Affiliates do not conduct their business in the name of Mortgagor and that any agreements between Mortgagor and its Affiliates relating to such services are on commercially reasonable terms similar to those of an arm's length transaction; (2) depositing all gross revenue, whether cash, cash equivalents or similar assets, in an operating account maintained specifically for the Property (a "Property Operating Account"), after paying expenses of Mortgagor or causing Sun Communities Operating Limited Partnership, a Michigan limited partnership ("SCOLP"), and/or Sun Communities, Inc., a Michigan corporation ("Sun"), to pay such expenses, and distributing such remaining cash to Sun, SCOLP, or at the direction of Sun or SCOLP, as applicable, to any other Affiliate of Mortgagor, and in any case, distributing such remaining cash that does not belong to the Mortgagor promptly to such entities; (3) paying all payables, debts and other liabilities arising from or in connection with the operation of the Property from the Property Operating Account, or causing SCOLP and/or Sun to pay such liabilities; (4) using ancillary assets in connection with the operation of the Property held in the name of Sun, SCOLP, or any of their Affiliates, such as vehicles and office and maintenance equipment; (5) treating the Property for all purposes as part of and within the portfolio of manufactured housing communities owned by SCOLP or its Affiliates, for marketing, promotion and providing information and reports to the public or as required by any applicable law; provided, however, that Mortgagor shall conduct business in its own name or its assumed or trade name; and/or (6) allocating general overhead and administrative costs incurred by Sun and SCOLP and/or other Affiliates of Mortgagor in a fair and equitable manner.

12. **Events of Default, Foreclosure; Expense of Litigation.** If an event of default, as defined in the Loan Documents, shall occur under the Obligations (an "Event of Default"), the Bank may, at its option, declare the whole of the Obligations to be immediately due and payable without further notice to the Mortgagor. When all or any part of the Obligations shall become due, whether by acceleration or otherwise, the Bank shall have the right to foreclose this Mortgage and sell the Property at public auction or venue pursuant to Michigan Compiled Laws 600.3201 et seq. or judicially foreclose this Mortgage under the provisions of Michigan Compiled Laws 600.3101 et seq., and/or exercise any right, power or remedy provided in this Mortgage or any of the other Loan Documents in accordance with Michigan Compiled Laws 600.3201 et seq. or Michigan Compiled Laws 600.3101 et seq. (as may be amended from time to time, collectively, the "Act"). In the event of a foreclosure sale, the Bank is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at such sale or to take such other steps as the Bank may deem advisable to cause the interest of such purchaser to be protected by any of such insurance policies.

(a) Mortgagor agrees to pay all of Bank's costs and expenses, including reasonable attorney fees, which shall be added to the Obligations secured by this Mortgage. At any foreclosure sale held under the foregoing Michigan statutes, Mortgagor agrees that in its foreclosure sale bid price the Bank shall be allowed to deduct from the appraised value of the Property: (i) a brokerage commission of not more than ten percent (10%) of the Property value; (ii) the unpaid balance of any mortgage or other liens which have priority over the lien of this Mortgage; and (iii) the sum of all unpaid property taxes and assessments and insurance premiums due and to become due on the Property through the date upon which the foreclosure redemption period shall expire. Any foreclosure sale may, at the sole option of the Bank, be made en masse or in parcels, any law to the contrary notwithstanding, and Mortgagor hereby knowingly, voluntarily and intelligently waives any right to require any such foreclosure sale to be made in parcels or any right to select which parcels shall be sold. The proceeds of any foreclosure sale shall be applied, as the Bank elects, to the payment of Bank's collection and other expenses, including reasonable attorney fees, and/or payment of the Obligations, with the surplus, if any, to Mortgagor or Mortgagor's successor in interest. Commencement of proceedings to foreclose this Mortgage in any manner authorized by law shall be deemed an exercise of the Bank's option to accelerate the Obligations. After the date upon which the maturity of the Obligations secured by this Mortgage has been accelerated, Bank acceptance of any amount(s) paid by Mortgagor less than the full unpaid principal balance of the Obligations plus accrued interest, late charges and Bank's costs and expenses in this Mortgage described, shall not waive the default or acceleration, but shall only be credited upon the unpaid balance of the Obligations unless the Bank specifically agrees in writing to waive any such default and/or acceleration.

THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN A FORECLOSURE BY ADVERTISEMENT, NO HEARING IS INVOLVED AND THE ONLY NOTICE REQUIRED IS PUBLICATION OF A FORECLOSURE NOTICE IN A LOCAL NEWSPAPER AND POSTING A COPY OF THE NOTICE UPON THE PREMISES. IF THIS MORTGAGE IS FORECLOSED BY ADVERTISEMENT UNDER THE PROVISIONS OF MICHIGAN COMPILED LAWS 600.3201 ET SEQ., MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTELLIGENTLY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN AND THE CONSTITUTION AND LAWS OF THE UNITED STATES OF AMERICA TO ANY NOTICE OR HEARING IN CONNECTION WITH A FORECLOSURE BY ADVERTISEMENT EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE.

(b) The Bank may procure mortgage foreclosure or title reports. Mortgagor covenants to pay forthwith to the Bank all sums paid for such purposes with interest at the highest rate applicable to the Obligations, and such sums and the interest thereon shall constitute a further lien upon the Property. The Bank may also procure appraisals, environmental audits and such other investigations or analyses of the Property as the Bank may determine to be required by regulatory or accounting rules, procedures or practices or to otherwise be prudent or necessary. Mortgagor shall grant the Bank free and unrestricted access to the Property for such purposes. Mortgagor covenants to pay forthwith to the Bank all sums paid for such purposes with interest at the highest rate applicable to the Obligations, and such sums and the interest thereon shall constitute a further lien upon the Property.

13. **Appointment of Receiver.** In conjunction with any foreclosure of this Mortgage, Bank shall be entitled to seek the appointment of a receiver for the Property in accordance with applicable law. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the value of the Property or whether the same shall be then occupied as a homestead or not and the Bank 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 Property (i) during the pendency of such foreclosure, (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 the 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 Property during said period, including, to the extent permitted by law, the right to lease all or any portion of the Property 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 Obligations, 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.

14. **Bank's Right of Possession in Case of Default.** At any time after an Event of Default has occurred, the Mortgagor shall, upon demand of the Bank, surrender to the Bank possession of the Property. The Bank, in its discretion, may, with process of law, enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers and accounts relating thereto, and may exclude the Mortgagor and its employees, agents or servants therefrom, and the Bank may then hold, operate, manage and control the Property, either personally or by its agents. The Bank 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 Property, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent. Without limiting the generality of the foregoing, the Bank shall have full power to: (a) cancel or terminate any lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same; (b) elect to disaffirm any lease or sublease 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 the Mortgagor and all persons whose interests in the Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations, 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

Property as the Bank deems are necessary; (e) insure and reinsure the Property and all risks incidental to the Bank's possession, operation and management thereof.

15. **Waste.** Mortgagor's failure, refusal or neglect to pay any taxes or assessments levied against the Property or any insurance premiums due upon policies of insurance covering the Property will constitute waste under Michigan Compiled Laws 600.2927, and the Bank shall have a right to appointment of a receiver of the Property and of the rents and income from the Property, with such powers as the Court making such appointment confers. Mortgagor hereby irrevocably consents to such appointment in such event, and agrees that Bank's costs and expenses, including reasonable attorney fees, incurred in such proceeding shall be added to the Obligations secured by this Mortgage. Payment by the Bank for and on behalf of Mortgagor of any delinquent taxes, assessments, or insurance premiums payable by Mortgagor under the terms of this Mortgage will not cure the default herein described nor in any manner impair the Bank's right to appointment of a receiver as set forth herein.

16. **Rights Cumulative.** Each right, power and remedy herein conferred upon the Bank 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 the Bank, 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 the Bank 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.

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

18. **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 to the Mortgagor or the Bank at the address shown for each party, respectively, in the first paragraph of this Mortgage 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 section 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 sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

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

(a) The Mortgagor shall forthwith give notice of any Contested Lien to the Bank at the time the same shall be asserted;

(b) The Mortgagor shall either pay under protest or deposit with the Bank the full amount (the "Lien Amount") of such Contested Lien, together with such amount as the Bank may reasonably estimate as interest or penalties which might arise during the period of contest;

provided that in lieu of such payment the Mortgagor may furnish to the Bank a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to the Bank.

20. **Further Instruments.** Upon request of the Bank, the 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 intent of this Mortgage and of the other Loan Documents.

21. **Indemnity.** The Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against the Bank in the exercise of the rights and powers granted to the Bank in this Mortgage, and the Mortgagor hereby expressly waives and releases any such liability, except to the extent resulting from the gross negligence or willful misconduct of the Bank. The Mortgagor shall indemnify and save the Bank 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 the Bank 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 the Bank 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 Property; and (c) the ownership, leasing, use, operation or maintenance of the Property, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Property to the Bank in accordance with the terms of this Mortgage; provided, however, that the Mortgagor shall not be obligated to indemnify or hold the Bank harmless from and against any Claims directly arising from the gross negligence or willful misconduct of the Bank. All costs provided for herein and paid for by the Bank shall be so much additional Obligations and shall become immediately due and payable upon demand by the Bank and with interest thereon from the date incurred by the Bank until paid at the highest rate provided in the Loan Documents.

22. **Environmental Representations, Warranties, Covenants and Indemnification.** The Mortgagor represents and warrants to the Bank that neither the Property nor the operations of the Mortgagor are in violation of any Environmental Law or any permit or authorization issued pursuant thereto. No Hazardous Substances have been released on or from the Property in violation of any Environmental Laws. The Mortgagor covenants and agrees to at all times strictly observe and promptly comply with all Environmental Laws and shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Laws ("Environmental Liens"). The Mortgagor shall promptly notify the Bank in writing if the Mortgagor knows, suspects or believes there is or are (a) any Hazardous Substances, other than those used by the Mortgagor or tenants under leases at the Property in the ordinary course of their businesses and in compliance with all Environmental Laws, present on the Property; (b) any release of Hazardous Substances in, on, under, from or migrating towards the Property; (c) any non-compliance with Environmental Laws related in any way to the Property; (d) any actual or potential Environmental Liens; (e) any investigation or action or claim, whether threatened or pending, by any governmental agency or third party pertaining to the Release of Hazardous Substances in, on, under, from, or migrating towards the Property. Mortgagor agrees to allow the Bank or its agent access to the Property to confirm Mortgagor's compliance with all Environmental Laws and Bank may once each calendar year without cause and, at any time upon reasonable information to believe that there is a potential violation of, or liability under, the Environmental Laws, at Mortgagor's sole cost and expense, hire, or require Mortgagor to hire, an environmental consultant (subject to Bank's approval which is not to be unreasonably withheld) to inspect, test and audit the Property and advise the Bank concerning Mortgagor's compliance with Environmental Laws. Any costs paid by Bank for violations of Environmental Laws or to hire an environmental consultant shall be added to the Obligations secured by this Mortgage. Mortgagor agrees to indemnify and hold the Bank harmless from any and all losses, costs,

suits, harm, liability, and damages of any and every kind, including reasonable attorney fees, which result from or are related to any violation(s) by Mortgagor or Mortgagor's predecessors in title to the Property of any Environmental Laws, and agrees that such indemnity shall survive the foreclosure or discharge of this Mortgage and shall continue so long as Bank has any interest in or liability for the Property. "Environmental Laws" shall mean any and all federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority with jurisdiction over the Property and/or the Mortgagor relating to or imposing liability or standards of conduct (including disclosure or notification) concerning protection of human health or the environment or Hazardous Substances or any activity involving Hazardous Substances, all as previously and in the future to be amended. "Hazardous Substance" shall mean, but is not limited to, any substance, chemical, material or waste (a) the presence of which causes a nuisance or trespass of any kind; (b) which is regulated by any federal, state or local governmental authority because of its toxic, flammable, corrosive, reactive, carcinogenic, mutagenic, infectious, radioactive, or other hazardous property or because of its effect on the environment, natural resources or human health and safety, including, but not limited to, petroleum and petroleum products, asbestos-containing materials, polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives; or (c) which is designated, classified, or regulated as being a hazardous or toxic substance, material, pollutant, waste (or a similar such designation) under any federal, state or local law, regulation or ordinance, including under any Environmental Law such as the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §11001 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §1801 et seq.), or the Clean Air Act (42 U.S.C. §7401 et seq.).

23. **Miscellaneous.**

(a) **Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon and enforceable against the Mortgagor and its assigns and other successors. This Mortgage and all provisions hereof shall inure to the benefit of the Bank, 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, the Mortgagor and the Bank 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 Michigan.

(c) **Municipal Requirements.** The 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 Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and the Mortgagor hereby assigns to the Bank any and all rights to give consent for all or any portion of the Property or any interest therein to be so used. Similarly, no building or other improvement on the Property 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 the Mortgagor which would result in a violation of any of the provisions of this subsection shall be void.



(d) **Option of Bank to Subordinate.** At the option of the Bank, 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 Property upon the execution by the Bank of a unilateral declaration to that effect and the recording thereof in the Office of the Register of Deeds in and for the county wherein the Property are situated.

(e) **Mortgagee-in-Possession.** Nothing herein contained shall be construed as constituting the Bank a mortgagee-in-possession in the absence of the actual taking of possession of the Property by the Bank pursuant to this Mortgage.

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

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

(h) **No Merger.** The parties hereto intend that the Mortgage and the lien hereof shall not merge in fee simple title to the Property, and if the Bank acquires any additional or other interest in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by the Bank 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.

(i) **CONSENT TO JURISDICTION, TO INDUCE THE BANK TO EXTEND THE OBLIGATIONS, THE MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO THE BANK'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE OBLIGATIONS AND THIS MORTGAGE WILL BE LITIGATED IN COURTS HAVING SITUS IN OAKLAND COUNTY, MICHIGAN. THE MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN OAKLAND COUNTY, MICHIGAN, WAIVES PERSONAL SERVICE OF PROCESS UPON THE MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE MORTGAGOR AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.**

(j) **WAIVER OF JURY TRIAL. THE MORTGAGOR AND THE BANK (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS**

**MORTGAGE OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE BANK OR ANY OTHER PERSON INDEMNIFIED UNDER THIS MORTGAGE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.**

(k) **Complete Agreement**. This Mortgage 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 the Mortgagor and the Bank.

*[SIGNATURE PAGE FOLLOWS]*

**MORTGAGOR:**

**SUN LAKEVIEW LLC**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a  
Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Notary Acknowledgement

The foregoing instrument was acknowledged before me in \_\_\_\_\_ County, Michigan, on \_\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Sun Communities, Inc., a Maryland corporation, which is the general partner of Sun Communities Operating Limited Partnership, a Michigan limited partnership, which is the sole member of **SUN LAKEVIEW LLC**, a Michigan limited liability company, on behalf of the company.

Notary's Signature: \_\_\_\_\_  
Notary's Name: \_\_\_\_\_  
Notary Public, State of Michigan, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_  
Acting in the County of: \_\_\_\_\_

DRAFTED BY:

Daniel C. Watson, Esq.  
Dykema Gossett PLLC  
400 Renaissance Center  
Detroit, Michigan 48243

WHEN RECORDED RETURN TO:

LaSalle Bank Midwest N.A.  
c/o LaSalle Bank N.A.  
Attn: Rita Gomez MC74-00  
4747 W. Irving Road  
Chicago, Illinois 60641

EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

Land situated in the County of Washtenaw, Township of Ypsilanti, State of Michigan, is described as follows:

Part of Section 26, Town 3 South, Range 7 East, Ypsilanti Township, Washtenaw County, Michigan, described as: Beginning at the Northeast corner of Section 26; thence South along the East line of said Section, 1309.73 feet; thence North 89 degrees 42 minutes 34 seconds West 662.67 feet; thence South 00 degrees 00 minutes 53 seconds East 728.14 feet; thence South 89 degrees 42 minutes 34 seconds East 662.49 feet to the East line of said Section; thence South along said line 197.26 feet; thence North 89 degrees 42 minutes 34 seconds West 662.44 feet; thence South 00 degrees 00 minutes 53 seconds East 197.28 feet; thence South 89 degrees 42 minutes 34 seconds East 662.39 feet to the East line of said Section; thence South along said line 197.29 feet to the East 1/4 corner of said Section; thence North 89 degrees 29 minutes 20 seconds West along the East and West 1/4 line 1318.78 feet to the Southwest 1/4 of the East 1/2 of the Northeast 1/4 of said Section; thence North 00 degrees 06 minutes 32 seconds East along the West line of the East 1/2 of the Northeast 1/4 of said Section 1810.49 feet; thence South 89 degrees 23 minutes 40 seconds East 291.22 feet; thence North 00 degrees 09 minutes 54 seconds West 826.86 feet to the North line of said Section; thence South 89 degrees 05 minutes East along said North line 119.10 feet; thence South 15 degrees 17 minutes 20 seconds West 69.23 feet; thence North 56 degrees 57 minutes 07 seconds East 94.96 feet; thence North 19 degrees 25 minutes 50 seconds East 15.13 feet to the North line of said Section; thence South 89 degrees 05 minutes 00 seconds East along said North line 841.02 feet to the point of beginning.

Tax Item No. K-11-26-100-014

EXHIBIT B

PERMITTED EXCEPTIONS

1. General real estate taxes for the year 2008 and each year thereafter not yet due and payable.
2. Exception Nos. 3 and 5 through 9, inclusive, contained on Schedule B, Section 1 of LandAmerica Lawyers Title Insurance Corporation Commitment No. 11307344, Revision 1 dated May 6, 2008.

This Instrument Prepared by:  
Daniel C. Watson, Esq.  
Dykema Gossett PLLC  
400 Renaissance Center  
Detroit, Michigan 48243

NOTICE TO RECORDER: This Mortgage encumbers Florida real property as security for a promissory note in the principal amount of \$27,000,000 executed and delivered by the Mortgagor to the Bank outside of Florida, which indebtedness is also secured by other mortgaged property located outside of Florida. For documentary stamp tax purposes, the value of the mortgaged property in Florida is \$15,000,000 and the value of all mortgaged property, wherever located, is \$45,540,000. The percentage that the value of the Florida mortgaged property bears to the value of the total mortgaged property for documentary stamp tax purposes is 32.9%. Florida documentary stamp tax in the amount of \$52,500.00 is paid on a tax base of \$15,000,000 pursuant to F.A.C. Rule 12B-4.053(31)(c) because the Bank has not agreed to limit the amount of its recovery under this Mortgage in any respect. For nonrecurring intangible tax purposes, the value of the Florida real property securing the promissory note is \$15,000,000 and the value of all collateral (including real and personal property located inside and outside of Florida) securing the promissory note is \$45,540,000. The percentage that the Florida real property bears to all collateral for nonrecurring intangible tax purposes is 32.9%. Florida nonrecurring intangible tax on the Mortgage is paid in the amount of \$17,766.00 on a tax base of \$8,883,000 pursuant to Section 199.133(2), Florida Statutes and F.A.C. Rule 12C-2.004(2)(b).

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**COMMERCIAL MORTGAGE**

This **COMMERCIAL MORTGAGE** dated as of \_\_\_\_\_, 2008 (the "Mortgage"), is executed by **SUN TAMPA EAST, LLC**, a Michigan limited liability company, whose address is 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 (the "Mortgagor"), to and for the benefit of **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association, whose address is 2600 West Big Beaver Road, Troy, Michigan 48084, its successors and assigns (the "Bank").

**R E C I T A L S:**

A. **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "Borrower"), desires to borrow funds and obtain other financial accommodations from the Bank, including, without limitation, a loan evidenced by a promissory note from the Borrower to the Bank, dated \_\_\_\_\_, in the principal amount of TWENTY SEVEN MILLION and 00/100 Dollars (\$27,000,000.00) (as amended, restated or replaced from time to time, the "Note").

B. As a condition to the Bank's loaning funds or providing other financial accommodations to the Borrower, the Bank requires that the Mortgagor grant this Mortgage in order to secure the obligations and performance of the Borrower under such loans or financial accommodations.

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

A G R E E M E N T S:

The Mortgagor hereby mortgages and warrants to the Bank, its successors and assigns, and grants to the Bank, its successors and assigns, a security interest in Mortgagor's interest in and to, the following described property, rights and interests (referred to collectively herein as the "Property"):

(a) The real estate located in the State of Florida and legally described on Exhibit A attached hereto and made a part hereof (the "Real Estate");

(b) All improvements of every nature whatsoever now or hereafter situated on the Real Estate, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing (the "Improvements");

(c) 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 the Mortgagor of, in and to the same;

(d) All rents, revenues, issues, profits, proceeds, income, royalties, Letter of Credit Rights (as defined in the Uniform Commercial Code of the State of Florida (the "Code") in effect from time to time), escrows, security deposits, impounds, reserves, tax refunds and other rights to monies from the Property and/or the businesses and operations conducted by the Mortgagor thereon;

(e) All interest of the Mortgagor in all leases and rental agreements (including, without limitation, oil and gas leases and any specific lease(s) described in an attachment to this Mortgage), written or unwritten, now or hereafter demising the Property in whole or in any part, and all amendments, modifications, extensions, renewals, substitutions and replacements for any of the foregoing (each, a "Lease", and collectively, the "Leases"), together with all security therefor and all monies payable thereunder;

(f) All fixtures and articles of personal property now or hereafter owned by the Mortgagor and located on or 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, computer hardware and software used in the operation of the Property, 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, together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by the Mortgagor or on its behalf; it being mutually agreed that

all of the aforesaid property owned by the 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 Obligations; 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 realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute Goods (as defined in the Code), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in the Bank, as a Secured Party, and the Mortgagor, as Debtor, all in accordance with the Code;

(g) All of the 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 Property, including, without limitation, all of the Mortgagor's right, title and interest in and to: (i) all agreements, licenses, permits and contracts to which the Mortgagor is or may become a party and which relate to the Property; (ii) all obligations and indebtedness owed to the Mortgagor thereunder; (iii) all intellectual property related to the Property; and (iv) all choses in action and causes of action relating to the Property;

(h) All of the Mortgagor's accounts now owned or hereafter created or acquired as relate to the Property and/or the businesses and operations conducted thereon, including, without limitation, all of the following now owned or hereafter created or acquired by the Mortgagor: (i) Accounts (as defined in the Code), contract rights, 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) the Mortgagor's rights in, to and under all purchase orders for goods, services or other property; (iii) the Mortgagor's rights to any goods, services or other property represented by any of the foregoing; (iv) monies due or 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); (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 (vii) all warranties, guarantees, permits and licenses in favor of the Mortgagor with respect to the Property; and

(i) 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 Property or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Property or proceeds of any sale, option or contract to sell the Property or any portion thereof;

FOR THE PURPOSE OF SECURING all loans, advances and other financial accommodations, including any renewals or extensions thereof, from the Bank to the Borrower and/or the Mortgagor and any and all indebtedness, liabilities and obligations of any and every kind and nature heretofore, now or hereafter owing from the Borrower and/or the Mortgagor to the Bank, however incurred or evidenced, whether primary, secondary, contingent or otherwise, whether arising under the Note, and any and all extensions and renewals thereof, this Mortgage, under any other security agreement(s), promissory note(s), guaranty(s), mortgage(s), lease(s), letter(s) of credit, interest rate, currency or commodity swap agreement(s), cap agreement(s) or collar agreement(s), and any other agreement(s) or arrangement(s) designed to protect the Borrower against fluctuations in interest rates, currency exchange rates or commodity prices, or any other instrument(s), document(s), contract(s) or agreement(s) heretofore, now



or hereafter executed by Borrower and/or the Mortgagor and delivered to the Bank or to or under which Borrower and/or the Mortgagor or any subsidiary or affiliate of Borrower and/or the Mortgagor is a party or beneficiary (collectively, the "Loan Documents"), or by oral agreement or by operation of law, plus all interest, costs, expenses and reasonable attorney fees which may be made or incurred by the Bank in the disbursement, administration or collection of such indebtedness, liabilities and obligations and in the protection, maintenance and liquidation of any collateral for such indebtedness, liabilities and obligations, and ANY FUTURE ADVANCES, WITH INTEREST THEREON, made to the Borrower and/or the Mortgagor by the Bank which are secured by this Mortgage pursuant to the provisions hereof (collectively, the "Obligations"). The Mortgagor covenants to pay when due any Obligations for which it is liable in accordance with the terms of the Loan Documents and duly perform and observe all of the terms, covenants and conditions to be observed and performed by the Mortgagor under the Note, this Mortgage and the other Loan Documents.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. **Title.** The Mortgagor represents, warrants and covenants that (a) the Mortgagor is the holder of the fee simple title to the Property, free and clear of all liens and encumbrances, except those liens and encumbrances in favor of the Bank and as otherwise described on Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions"); and (b) the Mortgagor has legal power and authority to mortgage and convey the Property.

2. **Assignment of Rents and Leases.** As additional security for the Obligations and performance of the covenants and agreements set forth herein, Mortgagor hereby assigns to the Bank, and grants Bank a security interest in, any and all Leases, and all rents, issues, income and profits derived from the use of the Property or any portion thereof, whether due or to become due. These assignments shall run with the land and shall be good and valid against Mortgagor and all persons claiming by, under, or through Mortgagor from the date of recording of this Mortgage and shall continue to be operative during foreclosure or any other proceedings taken to enforce this Mortgage. If any foreclosure sale results in a deficiency, the assignments shall continue as security during the foreclosure redemption period. Mortgagor covenants with and warrants to Bank that as of the date of this Mortgage:

(a) Each Lease is in full force and effect and there are no defaults existing thereunder; and

(b) Mortgagor has not, except as may be described in an attachment, if any, to this Mortgage: (1) executed or granted any prior assignment, encumbrance, or security interest in any Lease or the rentals thereunder; (2) performed any acts or executed any other instruments or agreements which would limit or prevent Bank from obtaining the benefit of and exercising its rights conferred by this Mortgage; or (3) executed or granted any modification of any Lease, either orally or in writing.

(c) As of the date of this Mortgage and for so long as any of the Obligations remains unpaid or unperformed:

(i) Mortgagor shall promptly inform Bank of, assign, and deliver, any subsequent Lease of the Property or any part thereof, and make, execute and deliver to the Bank, upon demand, any and all documents, agreements and instruments as may, in Bank's opinion, be necessary to protect the Bank's rights under this Mortgage; provided, that Mortgagor's failure to do so will not impair Bank's interest in or rights with respect to any subsequent Lease, nor in any way affect the applicability of this Mortgage to such Lease and the unpaid rents due or to become due thereunder.

(ii) Mortgagor shall not, without the prior written consent of Bank: (1) cancel or accept surrender of a Lease; (2) modify or alter a Lease in any way, either orally or in writing; (3) reduce the amount of or postpone payment of any Lease rents; (4) consent to any assignment of the lessee's interest in a Lease, or any subletting thereunder; (5) collect or accept payment of rents under a Lease for more than one (1) month in advance; (6) make any other assignment, pledge, encumbrance, or other disposition of a Lease or any Lease rents, issues, income or profits.

(d) Mortgagor shall perform and discharge each and every obligation, covenant, and agreement required to be performed by the landlord under any Lease and should Mortgagor fail to do so the Bank, at Bank's sole option and without releasing Mortgagor from any such obligation, may make or do the same in such manner and to such extent as the Bank deems necessary to protect its rights and interests under this Mortgage. Any and all costs, expenses and sums paid by the Bank in performing under any Lease, including reasonable attorney fees, shall be added to the Obligations secured by this Mortgage. This assignment of rents is given as collateral security only and will not be construed as obligating Bank to perform any of the covenants or undertakings required to be performed by Mortgagor under any Lease.

3. **Maintenance, Repair, Restoration, Prior Liens, Parking.** The Mortgagor covenants that, so long as any portion of the Obligations remains unpaid, the Mortgagor will: (a) promptly repair, restore or rebuild any Improvements now or hereafter on the Property which may become damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the Property in good condition and repair, without waste, and free from construction or like liens or claims or other liens or claims for lien (subject to the Mortgagor's right to contest liens as permitted by the terms hereof; (c) pay when due any indebtedness which may be secured by a permitted lien or charge on the Property, and upon request furnish satisfactory evidence of the discharge of such lien to the Bank (subject to the Mortgagor's right to contest liens as permitted by the terms of hereof); (d) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Property and the use thereof; (e) 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; (f) make no material alterations in the Property or demolish any portion of the Property without the Bank's prior written consent, except as required by law or municipal ordinance; (g) suffer or permit no change in the use or general nature of the occupancy of the Property, without the Bank's prior written consent; (h) not initiate or acquiesce in any zoning reclassification with respect to the Property, without the Bank's prior written consent; (i) provide and thereafter maintain adequate parking areas within the Property as may be required by law, ordinance or regulation (whichever may be greater), together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and (j) comply, and cause the Property at all times to be operated in compliance, with all applicable federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations.

4. **Payment of Taxes and Assessments.** The Mortgagor will pay before delinquent or the date on which 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 the Mortgagor, if applicable to the Property or any interest therein, or the Obligations, or any obligation or agreement secured hereby, subject to the Mortgagor's right to contest the same, as provided by the terms hereof; and the Mortgagor will, upon written request, furnish to the Bank duplicate receipts therefor within ten (10) days after the Bank's

request. After the occurrence of an Event of Default and the expiration of any applicable cure period, the Bank shall have the right to request that the Mortgagor deposit with the Bank monthly such amounts as estimated by the Bank will be sufficient to establish a fund from which to pay in full each installment of annual Taxes for the current calendar year as it becomes due. Such deposits will be held without any allowance of interest and are to be used for the payment of Taxes next due and payable when they become due. So long as no Event of Default shall exist, the Bank shall, at its option, pay such Taxes when the same become due and payable (upon submission of appropriate bills therefor from the Mortgagor) or shall release sufficient funds to the Mortgagor for the payment thereof. If the funds so deposited are insufficient to pay any such Taxes for any year (or installments thereof, as applicable) when the same shall become due and payable, the Mortgagor shall, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes in full. If the funds so deposited exceed the amount required to pay such Taxes 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 the Bank. The Bank, in making any payment hereby authorized relating to Taxes, may do so according to any bill, statement or estimate procured from the appropriate public office 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. Upon an Event of Default, the Bank may, at its option, apply any monies at the time on deposit to cure an Event of Default or to pay any of the Obligations in such order and manner as the Bank may elect. If such deposits are used to cure an Event of Default or pay any of the Obligations, the Mortgagor shall immediately, upon demand by the Bank, deposit with the Bank an amount equal to the amount expended by the Mortgagor from the deposits. When the Obligations has been fully paid, any remaining deposits shall be returned to the Mortgagor. Such deposits are hereby pledged as additional security for the Obligations and shall not be subject to the direction or control of the Mortgagor. The Bank shall not be liable for any failure to apply to the payment of Taxes any amount so deposited unless the Mortgagor, prior to an Event of Default, shall have requested the Bank in writing to make application of such funds to the payment of such amounts, accompanied by the bills for such Taxes. The Bank shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

5. **Insurance.** The Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property now or hereafter situated on the Property insured against loss or damage by fire and such other hazards as may reasonably be required by the Bank, in accordance with the Bank's current insurance requirements, and such other insurance as the Bank may from time to time reasonably require.

(a) Unless the Mortgagor provides the Bank evidence of the insurance coverages required hereunder, the Bank may purchase insurance at the Mortgagor's expense to cover the Bank's interest in the Property. The insurance may, but need not, protect the Mortgagor's interest. The coverages that the Bank purchases may not pay any claim that the Mortgagor makes or any claim that is made against the Mortgagor in connection with the Property. The Mortgagor may later cancel any insurance purchased by the Bank, but only after providing the Bank with evidence that the Mortgagor has obtained insurance as required by this Mortgage. If the Bank purchases insurance for the Property, the Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which the Bank 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 Obligations. The cost of the insurance may be more than the cost of insurance the Mortgagor may be able to obtain on its own.

(b) The 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 the Bank is included thereon as the loss payee or an additional insured as applicable, under a standard

mortgage clause acceptable to the Bank and such separate insurance is otherwise acceptable to the Bank.

(c) In the event of loss, the Mortgagor shall give prompt notice thereof to the Bank, who, if such loss exceeds an amount equal to ten percent (10.00%) of the Obligations (the "Threshold"), shall have the sole and absolute right to make proof of loss. If such loss exceeds the Threshold or if such loss is equal to or less than the Threshold and the conditions set forth in clauses (i), (ii) and (iii) of the immediately succeeding subsection are not satisfied, then the Bank, solely and directly, shall receive such payment for loss from each insurance company concerned. If and only if (i) such loss is equal to or less than the Threshold, (ii) 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, (iii) the Bank determines that the work required to complete the repair or restoration of the Property necessitated by such loss can be completed no later than the maturity date of the earliest maturing Obligation, and (iv) the total of the insurance proceeds and such additional amounts placed on deposit with the Bank by the Mortgagor for the specific purpose of rebuilding or restoring the Improvements equals or exceeds, in the sole and absolute discretion of the Bank, the reasonable costs of such rebuilding or restoration, then the Bank shall endorse to the Mortgagor any such payment and the Mortgagor may collect such payment directly. The Bank shall have the right, at its option and in its sole discretion, to apply any insurance proceeds received by the Bank pursuant to the terms of this section, after the payment of all of the Bank's expenses, either (i) on account of the Obligations, irrespective of whether such principal balance is then due and payable, whereupon the Bank may declare the whole of the balance of Obligations to be due and payable, or (ii) to the restoration or repair of the property damaged as provided in subsection (d) below; provided, however, that the Bank hereby agrees to permit the application of such proceeds to the restoration or repair of the damaged property, subject to the provisions of subsection (d) below, if (i) the Bank has received satisfactory evidence that such restoration or repair shall be completed no later than the maturity date of the earliest maturing Obligation, and (ii) 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 the Mortgagor by the Bank as hereinafter provided, the Mortgagor shall repair, restore or rebuild the damaged or destroyed portion of the Property so that the condition and value of the Property are substantially the same as the condition and value of the Property prior to being damaged or destroyed. Any insurance proceeds applied on account of the unpaid principal balance of the Obligations shall be subject to any prepayment premium provided for in the Loan Documents. In the event of foreclosure of this Mortgage, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale.

(d) If insurance proceeds are made available by the Bank to the Mortgagor, the Mortgagor shall comply with the following conditions:

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

(iv) Prior to each payment or application of any insurance proceeds to the repair or restoration of the improvements upon the Property, the Bank shall be satisfied as to the following:

(A) 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 Property, 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 Property, the Mortgagor has deposited with the Bank such amount of money which, together with the insurance proceeds shall be sufficient to restore, repair and rebuild the Property; and

(B) prior to each disbursement of any such proceeds, the Bank shall be furnished with a statement of the Bank's architect (the cost of which shall be borne by the 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 the Bank and with all statutes, regulations or ordinances (including building and zoning ordinances) affecting the Property; and the Bank shall be furnished with appropriate evidence of payment for labor or materials furnished to the Property, and total or partial lien waivers substantiating such payments.

(v) If the Mortgagor shall fail to restore, repair or rebuild the Improvements within a time deemed satisfactory by the Bank, then the Bank, at its option, may (A) commence and perform all necessary acts to restore, repair or rebuild the said Improvements for or on behalf of the 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 Obligations irrespective of whether such Obligations is then due and payable without payment of any premium or penalty.

6. **Condemnation.** If all or any part of the Property 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 Obligations, is hereby assigned to the Bank, who is empowered to collect and receive the same and to give proper receipts therefor in the name of the Mortgagor and the same shall be paid forthwith to the Bank. Such award or monies shall be applied on account of the Obligations, irrespective of whether such Obligations is then due and payable and, at any time from and after the taking the Bank may declare the whole of the balance of the Obligations to be due and payable. Notwithstanding the provisions of this section to the contrary, if any condemnation or taking of less than the entire Property 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 the Bank, has no material adverse effect on the operation or value of the Property, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by the Mortgagor, and the Bank hereby agrees that in such event it shall not declare the Obligations to be due and payable, if it is not otherwise then due and payable.

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

law is enacted after the date hereof requiring (a) the deduction of any lien on the Property from the value thereof for the purpose of taxation or (b) the imposition upon the Bank of the payment of the whole or any part of the Taxes, charges or liens herein required to be paid by the Mortgagor, or (c) a change in the method of taxation of mortgages or debts secured by mortgages or the Bank's interest in the Property, or the manner of collection of taxes, so as to affect this Mortgage or the Obligations or the holders thereof, then the Mortgagor, upon demand by the Bank, shall pay such Taxes or charges, or reimburse the Bank therefor; provided, however, that the Mortgagor shall not be deemed to be required to pay any income or franchise taxes of the Bank. Notwithstanding the foregoing, if in the opinion of counsel for the Bank, it is or may be unlawful to require the 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 the Bank may declare all of the Obligations to be immediately due and payable.

8. **Bank's Performance of Defaulted Acts and Expenses Incurred by Bank.** If an Event of Default has occurred, the Bank may, but need not, make any payment or perform any act herein required of the Mortgagor in any form and manner deemed expedient by the Bank, 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 Property or consent to any tax or assessment or cure any default of the Mortgagor in any lease of the Property. 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 the Bank in regard to any tax provided for herein or to protect the Property or the lien hereof, shall be so much additional Obligations, and shall become immediately due and payable by the Mortgagor to the Bank, upon demand, and with interest thereon accruing from the date of such demand until paid at the highest rate provided in the Loan Documents. In addition to the foregoing, any costs, expenses and fees, including reasonable attorneys' fees, incurred by the Bank in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting or enforcing any of the Bank's rights hereunder, (c) recovering any Obligations, (d) any litigation or proceedings affecting the Note, this Mortgage, any of the other Loan Documents or the Property, 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 Property, with interest thereon accruing from the date of such demand until paid at the highest rate provided in the Loan Documents, shall be so much additional Obligations, and shall become immediately due and payable by the Mortgagor to the Bank, upon demand. Should any amount paid out or advanced by the Bank hereunder, or pursuant to any agreement executed by the 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 Property or any part thereof, then the Bank 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.

9. **Security Agreement.** The Mortgagor and the Bank agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to all property described herein in which a security interest can be granted under Article 9 of the Code (the "Personal Property"; all of the Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Bank to secure payment of the Obligations.

(a) The only persons having any interest in the Collateral are the Mortgagor, the Bank and holders of interests, if any, expressly permitted hereby.

(b) No Financing Statement (other than Financing Statements showing the Bank 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; the Mortgagor, at its own cost and expense, upon demand, will furnish to the Bank such further information and will execute and deliver to the Bank such financing statements and other documents in form satisfactory to the Bank and will do all such acts as the Bank 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 Obligations, subject to no other liens or encumbrances, other than liens or encumbrances benefiting the Bank and liens and encumbrances (if any) expressly permitted hereby. The 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 the Bank to be desirable. The Mortgagor hereby irrevocably authorizes the Bank at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto, without the signature of the Mortgagor covering the Collateral and containing such information as is required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed

(c) Upon an Event of Default hereunder, the Bank 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. The Bank will give the 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 the Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Any such sale may be held in conjunction with any foreclosure sale of the Property. If the Bank so elects, the Property 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 the Bank, shall be applied against the Obligations in such order or manner as the Bank shall select. The Bank will account to the Mortgagor for any surplus realized on such disposition.

(d) The terms and provisions contained in this section, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

(e) This Mortgage is intended to be a financing statement within the purview of Section 9-502(3) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Property.

10. **Restrictions on Transfer**. The Mortgagor, without the prior written consent of the Bank, shall not effect, suffer or permit any Prohibited Transfer (as defined herein).

(a) Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "Prohibited Transfer":

(i) The Property or any part thereof or interest therein, excepting only sales or other dispositions of Collateral no longer useful in connection with the operation of the Property ("Obsolete Collateral"), 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) Ownership or control of the Mortgagor, unless permitted under the Loan Documents;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this section shall not apply (i) to the lien of current taxes and assessments not in default, or (ii) to leases permitted by the terms of the Loan Documents, if any.

(b) In determining whether or not to make the loan secured by this Mortgage, the Bank evaluated the background and experience of the Mortgagor in owning and operating property such as the Property, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Property which is the Bank's security for the Obligations. The Mortgagor further recognizes that any secondary junior financing placed upon the Property (i) may divert funds which would otherwise be used to pay the Obligations; (ii) could result in acceleration and foreclosure by any such junior encumbrancer which would force the Bank to take measures and incur expenses to protect its security; (iii) would detract from the value of the Property should the Bank come into possession thereof with the intention of selling same; and (iv) would impair the Bank's right to accept a deed in lieu of foreclosure, as a foreclosure by the Bank would be necessary to clear the title to the Property. In accordance with the foregoing and for the purposes of (a) protecting the Bank's security, both of repayment and of value of the Property; (b) giving the Bank the full benefit of its bargain and contract with the Mortgagor; (c) keeping the Property free of subordinate financing liens, the Mortgagor agrees that if this section is deemed a restraint on alienation, that it is a reasonable one.

11. **Single Asset Entity.** The Mortgagor shall not hold or acquire, directly or indirectly, any ownership interest (legal or equitable) in any real or personal property other than the Property, or become a shareholder of or a member or partner in any entity which acquires any property other than the Property, until such time as the Obligations have been fully repaid. The operating agreement of the Mortgagor shall limit its purpose to the acquisition, operation, management and disposition of the Property, and such purposes shall not be amended without the prior written consent of the Bank. The Mortgagor covenants:

(c) 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, except that Mortgagor's financial position, assets, results of operations and cash flows may be included in the consolidated financial statements of an affiliate; provided, however, that any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(d) To conduct its own business in its own name, , allocate fairly and reasonably any overhead for shared employees and office space, to maintain an arm's length relationship with its affiliates, and to pay its own liabilities out of its own funds, to the extent of revenue generated from the operation of the Property; provided, however, the foregoing covenant shall not require the members or managers of the Mortgagor to make any additional capital contributions to the Mortgagor or cause personal liability;



(e) 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 to the extent available only from the cash flow generated from the operation of the Property, and observe all organizational formalities;

(f) 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;

(g) 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;

(h) Not to enter into any contract or agreement with any party which is directly or indirectly controlling, controlled by or under common control with the 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;

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

(j) The 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 the Mortgagor, any Affiliate or any other person;

(k) The 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 the Mortgagor has been paid in full prior to or through application of proceeds from the funding of the Loan.

Notwithstanding any contrary provision in this Mortgage or in any of the Loan Documents, the following operations and activities of Borrower and its Affiliates shall not be considered a violation of the covenants contained in this Section 11: (1) offering services to residents of the Property through Affiliates of Mortgagor or other third parties for which fees and charges may be collected by Mortgagor or the Affiliate and paid to such Affiliate or third party, which may include, without limitation, cable and internet services, landscaping, snow removal, lease or sale of manufactured homes, and child care; provided that such Affiliates do not conduct their business in the name of Mortgagor and that any agreements between Mortgagor and its Affiliates relating to such services are on commercially reasonable terms similar to those of an arm's length transaction; (2) depositing all gross revenue, whether cash, cash equivalents or similar assets, in an operating account maintained specifically for the Property (a "Property Operating Account"), after paying expenses of Mortgagor or causing Sun Communities Operating Limited Partnership, a Michigan limited partnership ("SCOLP"), and/or Sun Communities, Inc., a Michigan corporation ("Sun"), to pay such expenses, and distributing such remaining cash to Sun, SCOLP, or at the direction of Sun or SCOLP, as applicable, to any other Affiliate of Mortgagor, and in any case, distributing such remaining cash that does not belong to the Mortgagor promptly to such entities; (3) paying all payables, debts and other liabilities arising from or in connection with the operation of the Property from the Property Operating Account, or causing SCOLP and/or Sun to pay such liabilities; (4) using ancillary assets in connection with the operation of the Property held in the name of Sun, SCOLP, or any of their Affiliates, such as vehicles and office and maintenance equipment; (5) treating the Property for all purposes as part of and within the portfolio of manufactured housing

communities owned by SCOLP or its Affiliates, for marketing, promotion and providing information and reports to the public or as required by any applicable law; provided, however, that Mortgagor shall conduct business in its own name or its assumed or trade name; and/or (6) allocating general overhead and administrative costs incurred by Sun and SCOLP and/or other Affiliates of Mortgagor in a fair and equitable manner.

12. **Events of Default, Foreclosure; Expense of Litigation.** If an event of default, as defined in the Loan Documents, shall occur under the Obligations (an "**Event of Default**"):

(a) The Bank may, at its option, exercise any or all of the following remedies:

(i) **Acceleration.** Declare the unpaid portion of the Obligations to be immediately due and payable, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the Obligations, with such interest thereon as shall have accrued, shall become immediately due and payable, anything in the Note or in the Loan Documents to the contrary notwithstanding.

(ii) **Entry on Property.** Enter upon the Property and take possession thereof and of all books, records and accounts relating thereto to the extent permitted by law.

(iii) **Operation of Property.** Hold, lease, operate or otherwise use or permit the use of the Property, or any portion thereof, in such manner, for such time and upon such terms as Bank may deem to be in its best interest (making such repairs, alterations, additions and improvements thereto, from time to time, as Bank shall deem necessary or desirable) and collect and retain all earnings, rents, profits or other amounts payable in connection therewith to the extent permitted by law.

(iv) **Enforcement of Mortgage.** To the extent permitted by law, Bank, with or without entry, personally or by its agents or attorneys, insofar as applicable, may: (a) sell the Property and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, to the extent permitted by and pursuant to the procedures provided by law, at one or more sales, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law; (b) institute proceedings for the complete or partial foreclosure of this Mortgage; or (c) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, or in aid of the execution or any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Bank shall elect.

(v) **Sale.** Bank may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage subsequent to foreclosure by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Bank, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned. Upon the completion of any sale or sales made by the Bank under or by virtue of this Section 12, the Bank, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument or instruments, without representation or warranty expressed or implied, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold subject to all matters which would affect title to the property and rights sold. Bank is hereby appointed the true and lawful irrevocable attorney of the Mortgagor, in its

name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Property and rights so sold and for that purpose the Bank may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, the Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, the Mortgagor, if so requested by the Bank, shall ratify and confirm any such sale or sales by executing and delivering to the Bank or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Bank, for the purpose, and as may be designated in such request. Any such sale or sales made under or by virtue of this Section 12, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever at law or in equity, of the Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under the Mortgagor, to the maximum extent permitted by the law of the state in which the Property is located.

(vi) **Receiver.** Apply to the court in which a proceeding is pending for the enforcement of this Mortgage to have a receiver appointed to enter upon and take possession of the Property, collect the rents and profits therefrom and apply the same as the court may direct, such receiver to have all of the rights and powers permitted under the laws of the state in which the Property is situated. The right to the appointment of such receiver is hereby consented to by Mortgagor and shall be a matter of strict right without regard to the value or the occupancy of the Property or the solvency or insolvency of Mortgagor. The expenses, including receiver's fees, counsel's fees, costs and agent's compensation incurred pursuant to the powers herein contained shall be secured hereby.

(vii) **Other.** Exercise any other remedy specifically granted under the Loan Documents as now or hereafter existing in equity, or at law, by virtue of statute or otherwise of the state in which the Property is situated.

(b) **Separate Sales.** Any real estate or any interest or estate therein sold pursuant to any court order obtained by virtue of this Mortgage or the other Loan Documents, or pursuant to any other judicial proceedings under this Mortgage or the other Loan Documents, or pursuant to any right of Bank to sell the Property, may be sold in one parcel, as an entirety, or in such parcels, and in such manner or order as Bank, in its sole discretion, may elect, to the maximum extent permitted by the laws of the state in which the Property is situated.

(c) **Remedies Cumulative and Concurrent.** The rights and remedies of Bank as provided in the Note and in the Loan Documents shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or the Property, or any one or more of them, at the sole discretion of Bank, and may be exercised as often as occasion therefor shall arise, all to the maximum extent permitted by the laws of the state in which the Property is situated. If Bank elects to proceed under one right or remedy granted under the Loan Documents or the Note, Bank may at any time cease proceeding under such right or remedy and proceed under any other right or remedy granted under the Loan Documents or the Note. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. Nothing in the Note or the Loan Documents shall affect Mortgagor's obligations to pay the Obligations and perform the Obligations in accordance with the terms thereof.

(d) **Credit of Bank.** Upon any sale made under or by virtue of this Section 12, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Bank may bid for and acquire the Property and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations the amount of Bank's bid.

(e) **Strict Performance.** Any failure by Bank to insist upon strict performance by Mortgagor of any of the terms and provisions of the Loan Documents or of the Note shall not be deemed to be a waiver of any of the terms or provisions of the Loan Documents or the Note and Bank shall have the right thereafter to insist upon strict performance by Mortgagor of any and all of them.

(f) **No Condition Precedent to Exercise of Remedies.** Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the Obligations shall be relieved of such obligation by reason of the failure of Bank to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Loan Documents or the Note, or by reason of the release, regardless of consideration, of all or any part of the security held for the Obligations, or by reason of any agreement or stipulation between any subsequent owner of the Property and Bank extending the time of payment or modifying the terms of the Loan Documents or Note without first having obtained the consent of Mortgagor or such other person; and in the latter event Mortgagor and all such other persons shall continue to be liable to make payment according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Bank.

(g) **Release of Collateral.** Bank may release, regardless of consideration, any part of the security held for the Obligations or Obligations without, as to the remainder of the security, in any way impairing or affecting the liens of the Loan Documents or their priority over any subordinate lien. The Holder of any subordinate lien agrees to be bound by the terms of this Section.

(h) **Other Collateral.** For payment of the Obligations, Bank may resort to any other security therefor held by Bank in such order and manner as Bank may elect without affecting its remedies under this Mortgage, to the maximum extent permitted by the laws of the state in which the Property is situated.

(i) **Waiver of Redemption, Notice, Marshalling, Etc.** Mortgagor hereby waives and releases to the maximum extent permitted by the laws of the state in which the Property is situated: (a) all benefit that might accrue to Mortgagor by virtue of any present or future law exempting the Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) unless specifically required herein, all notices of Mortgagor's default or of Bank's election to exercise, or Bank's actual exercise, of any option or remedy under the Note or the Loan Documents; and (c) any right to have the Property marshalled.

(j) **Discontinuance of Proceedings.** In case Bank shall have proceeded to enforce any right under the Note or the Loan Documents and such proceedings shall have been discontinued or abandoned for any reason, then in every such case Mortgagor and Bank shall be restored to their former positions and the rights, remedies and powers of Bank shall continue as if no such proceedings had been taken.

(k) **Application of Proceeds.** The proceeds of any sale of all or any portion of the Property and the earnings of any holding, leasing, operation or other use of the Property shall be applied by Bank in the following order:

- (i) first, to the payment of the costs and expenses of taking possession of the Property and of holding, using leasing, repairing, improving and selling the same (including but not limited to any receiver's fees);
- (ii) second, to the payment of attorneys' fees and other legal expenses;
- (iii) third, to the payment of accrued and unpaid interest on the Note;
- (iv) fourth, to the payment of the balance of the Obligations; and
- (v) fifth, in such order as required by the laws of the state in which the Property is situated. Bank shall account to Mortgagor for any surplus, and Mortgagor shall be liable to Bank for any deficiency to the extent permitted by the laws of the state in which the Property is situated.

13. **Waste.** Mortgagor will not commit or knowingly permit any material physical waste of the Property or any part thereof or make or permit to be made any alterations or additions to the Property which would have the effect of materially diminishing the value thereof or which will in any way increase the possibility of any ordinary fire or other hazard arising out of construction or operation thereof..

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

15. **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 to the Mortgagor or the Bank at the address shown for each party, respectively, in the first paragraph of this Mortgage 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 section 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 sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

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

- (a) The Mortgagor shall forthwith give notice of any Contested Lien to the Bank at the time the same shall be asserted;
- (b) The Mortgagor shall either pay under protest or deposit with the Bank the full amount (the "**Lien Amount**") of such Contested Lien, together with such amount as the Bank may reasonably estimate as interest or penalties which might arise during the period of contest;

provided that in lieu of such payment the Mortgagor may furnish to the Bank a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to the Bank.

17. **Further Instruments.** Upon request of the Bank, the 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 intent of this Mortgage and of the other Loan Documents.

18. **Future Advances.** This Mortgage secures such future or additional advances (in addition to the principal amount of the Note) as may be made by the Bank or the holder hereof, at its exclusive option, to the Mortgagor or its successors or assigns in title, for any purpose, provided that all such advances are made within twenty (20) years from the date of this Mortgage or within such lesser period of time as may be provided hereafter by law as a prerequisite for the sufficiency of actual notice or record notice of such optional future or additional advances as against the rights of creditors or subsequent purchasers for valuable consideration to the same extent as if such future or additional advances were made on the date of the execution of this Mortgage. The total amount of indebtedness secured by this Mortgage may be increased or decreased from time to time, but the total unpaid balance so secured at any one time shall not exceed the maximum principal amount equal to twice the original principal sum evidenced by the Note plus interest thereon and any disbursements made under this Mortgage made for the payment of taxes, assessments, charges, levies, insurance, or otherwise, with interest on such disbursements.

19. **Indemnity.** The Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against the Bank in the exercise of the rights and powers granted to the Bank in this Mortgage, and the Mortgagor hereby expressly waives and releases any such liability, except to the extent resulting from the gross negligence or willful misconduct of the Bank. The Mortgagor shall indemnify and save the Bank 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 the Bank 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 the Bank 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 Property; and (c) the ownership, leasing, use, operation or maintenance of the Property, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Property to the Bank in accordance with the terms of this Mortgage; provided, however, that the Mortgagor shall not be obligated to indemnify or hold the Bank harmless from and against any Claims directly arising from the gross negligence or willful misconduct of the Bank. All costs provided for herein and paid for by the Bank shall be so much additional Obligations and shall become immediately due and payable upon demand by the Bank and with interest thereon from the date incurred by the Bank until paid at the highest rate provided in the Loan Documents.

20. **Environmental Representations, Warranties, Covenants and Indemnification.** The Mortgagor represents and warrants to the Bank that neither the Property nor the operations of the Mortgagor are in violation of any Environmental Law or any permit or authorization issued pursuant thereto. No Hazardous Substances have been released on or from the Property in violation of any Environmental Laws. The Mortgagor covenants and agrees to at all times strictly observe and promptly comply with all Environmental Laws and shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Laws ("Environmental Liens"). The Mortgagor shall promptly notify the Bank in writing if the Mortgagor knows, suspects or believes there is or are (a) any Hazardous Substances, other than those used by the Mortgagor or tenants under leases at the Property in the ordinary course of their businesses and in compliance with all Environmental Laws, present on the

Property; (b) any release of Hazardous Substances in, on, under, from or migrating towards the Property; (c) any non-compliance with Environmental Laws related in any way to the Property; (d) any actual or potential Environmental Liens; (e) any investigation or action or claim, whether threatened or pending, by any governmental agency or third party pertaining to the Release of Hazardous Substances in, on, under, from, or migrating towards the Property. Mortgagor agrees to allow the Bank or its agent access to the Property to confirm Mortgagor's compliance with all Environmental Laws and Bank may once each calendar year without cause and, at any time upon reasonable information to believe that there is a potential violation of, or liability under, the Environmental Laws, at Mortgagor's sole cost and expense, hire, or require Mortgagor to hire, an environmental consultant (subject to Bank's approval which is not to be unreasonably withheld) to inspect, test and audit the Property and advise the Bank concerning Mortgagor's compliance with Environmental Laws. Any costs paid by Bank for violations of Environmental Laws or to hire an environmental consultant shall be added to the Obligations secured by this Mortgage. Mortgagor agrees to indemnify and hold the Bank harmless from any and all losses, costs, suits, harm, liability, and damages of any and every kind, including reasonable attorney fees, which result from or are related to any violation(s) by Mortgagor or Mortgagor's predecessors in title to the Property of any Environmental Laws, and agrees that such indemnity shall survive the foreclosure or discharge of this Mortgage and shall continue so long as Bank has any interest in or liability for the Property. "Environmental Laws" shall mean any and all federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority with jurisdiction over the Property and/or the Mortgagor relating to or imposing liability or standards of conduct (including disclosure or notification) concerning protection of human health or the environment or Hazardous Substances or any activity involving Hazardous Substances, all as previously and in the future to be amended. "Hazardous Substance" shall mean, but is not limited to, any substance, chemical, material or waste (a) the presence of which causes a nuisance or trespass of any kind; (b) which is regulated by any federal, state or local governmental authority because of its toxic, flammable, corrosive, reactive, carcinogenic, mutagenic, infectious, radioactive, or other hazardous property or because of its effect on the environment, natural resources or human health and safety, including, but not limited to, petroleum and petroleum products, asbestos-containing materials, polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives; or (c) which is designated, classified, or regulated as being a hazardous or toxic substance, material, pollutant, waste (or a similar such designation) under any federal, state or local law, regulation or ordinance, including under any Environmental Law such as the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §11001 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §1801 et seq.), or the Clean Air Act (42 U.S.C. §7401 et seq.).

21. Miscellaneous.

(a) Successors and Assigns. This Mortgage and all provisions hereof shall be binding upon and enforceable against the Mortgagor and its assigns and other successors. This Mortgage and all provisions hereof shall inure to the benefit of the Bank, 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, the Mortgagor and the Bank 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 Florida.

(c) **Municipal Requirements.** The 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 Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and the Mortgagor hereby assigns to the Bank any and all rights to give consent for all or any portion of the Property or any interest therein to be so used. Similarly, no building or other improvement on the Property 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 the Mortgagor which would result in a violation of any of the provisions of this subsection shall be void.

(d) **Option of Bank to Subordinate.** At the option of the Bank, 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 Property upon the execution by the Bank of a unilateral declaration to that effect and the recording thereof in the Office of the Register of Deeds in and for the county wherein the Property are situated.

(e) **Mortgagee-in-Possession.** Nothing herein contained shall be construed as constituting the Bank a mortgagee-in-possession in the absence of the actual taking of possession of the Property by the Bank pursuant to this Mortgage.

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

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

(h) **No Merger.** The parties hereto intend that the Mortgage and the lien hereof shall not merge in fee simple title to the Property, and if the Bank acquires any additional or other interest in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by the Bank 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.

(i) **CONSENT TO JURISDICTION. TO INDUCE THE BANK TO EXTEND THE OBLIGATIONS, THE MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO THE BANK'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE OBLIGATIONS AND THIS MORTGAGE, OTHER THAN FORECLOSURE, WILL BE LITIGATED IN COURTS HAVING SITUS IN OAKLAND COUNTY, MICHIGAN. THE MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF**



ANY COURT LOCATED WITHIN OAKLAND COUNTY, MICHIGAN, WAIVES PERSONAL SERVICE OF PROCESS UPON THE MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE MORTGAGOR AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

(j) **WAIVER OF JURY TRIAL.** THE MORTGAGOR AND THE BANK (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE BANK OR ANY OTHER PERSON INDEMNIFIED UNDER THIS MORTGAGE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

(k) **Complete Agreement.** This Mortgage 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 the Mortgagor and the Bank.

*[SIGNATURE PAGE FOLLOWS]*

**WITNESSES:**

**MORTGAGOR:**

**SUN TAMPA EAST, LLC**, a Michigan limited liability company

\_\_\_\_\_  
Signature

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership

\_\_\_\_\_  
Print Name

Its: Sole Member

\_\_\_\_\_  
Signature

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

\_\_\_\_\_  
Print Name

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF MICHIGAN  
COUNTY OF OAKLAND

**BEFORE ME**, a Notary Public in and for said County and State, on this \_\_\_ day of \_\_\_\_\_, 2008, personally appeared \_\_\_\_\_, \_\_\_\_\_ of Sun Communities, Inc., a Maryland corporation, which is the general partner of Sun Communities Operating Limited Partnership, a Michigan limited partnership, which is the sole member of **SUN TAMPA EAST, LLC**, a Michigan limited liability company, on behalf of the company, who is personally known to me or produced \_\_\_\_\_ as identification.

Notary's Signature: \_\_\_\_\_  
Notary's Name: \_\_\_\_\_  
Notary Public, State of Michigan, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_

EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

LAND SITUATED IN THE COUNTY OF HILLSBOROUGH, STATE OF FLORIDA, IS DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 30, TOWNSHIP 28 SOUTH, RANGE 21 EAST, RUN WEST 345 FEET TO A POINT OF BEGINNING; RUN THENCE SOUTH 00°41'00" EAST, 743.09 FEET TO THE NORTH RIGHT-OF-WAY LINE OF U.S. 92 (A PUBLIC ROAD HAVING AN 80 FOOT RIGHT OF WAY); THENCE SOUTH 75°00'30" WEST ALONG SAID RIGHT-OF-WAY LINE 200 FEET THENCE NORTH 00°41'00" WEST, 200 FEET; THENCE SOUTH 75°00'130" WEST, 884.81 FEET TO THE WEST BOUNDARY OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE NORTH 00°39'00" WEST, 823.73 FEET TO THE NORTHWEST CORNER OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE EAST 1050.75 FEET TO THE POINT OF BEGINNING. SAID LANDS LYING IN HILLSBOROUGH COUNTY, FLORIDA.

EXHIBIT B

PERMITTED EXCEPTIONS

1. General real estate taxes for the year 2008 and each year thereafter not yet due and payable.
2. Exception Nos. 6 through 39, inclusive, contained on Schedule B, Section 1 of LandAmerica Lawyers Title Insurance Corporation Commitment No. TLF08-000192-L, Revision No. 1 dated June 17, 2008.

**PROMISSORY NOTE**

\$27,000,000.00  
Troy, Michigan

Date: \_\_\_\_\_, 2008  
Maturity Date: \_\_\_\_\_, 2011

FOR VALUE RECEIVED, **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "**Borrower**"), hereby promises to pay to the order of **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association (the "**Bank**"), at its principal office in Troy, Michigan, on or before the Maturity Date (as defined in the hereinafter referred to Loan Agreement), the principal amount of TWENTY SEVEN MILLION and 00/100 DOLLARS (\$27,000,000.00), in accordance with the terms and provisions of that certain Loan Agreement dated as of \_\_\_\_\_, 2008, executed by and among the Borrower and the Bank (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"). Capitalized words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Loan Agreement.

The Borrower further promises to pay accrued interest hereunder monthly, beginning on July \_\_\_\_\_, 2008 and continuing on the same day of each consecutive month thereafter through and including June \_\_\_\_\_, 2009. Beginning on July \_\_\_\_\_, 2009, and continuing on the same day of each consecutive month thereafter, the Borrower shall repay the outstanding principal balance of this Note in monthly installments of principal and interest, each in an amount determined on the basis of a 360-month amortization period (the "Amortization Period"). The amount of each monthly payment shall be the amount computed by the Bank which would amortize the outstanding principal balance of this Note, as of the date of the payment calculation, with interest at the rate in effect on such date as set forth in the Loan Agreement, over the remainder of the Amortization Period. The outstanding principal balance hereof shall be repaid by the Borrower on the Maturity Date, unless payable sooner pursuant to the provisions of the Loan Agreement. The Maturity Date may be extended at the Borrower's option, subject to the terms and conditions contained in the Loan Agreement, to the date two (2) years after the initial Maturity Date. Payments of both principal and interest are to be made in lawful money of the United States of America. The Loan made by the Bank and all payments on account of the principal and interest thereof, shall be recorded on the books and records of the Bank and the principal balance as shown on such books and records shall be rebuttably presumptive evidence of the principal amount owing hereunder.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, the Loan Agreement, to which Loan Agreement reference is hereby made for a statement of the terms and provisions under which this Note may or must be paid prior to the Maturity Date, or pursuant to which the Maturity Date may be accelerated. The holder of this Note is entitled to all of the benefits and security provided for in the Loan Agreement.

Except for such notices as may be expressly required under the Loan Documents, the Borrower waives presentment, demand, notice, protest, and all other demands, or notices, in connection with the delivery, acceptance, performance, default, or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence. No failure to exercise, and no delay in exercising, any rights under any of the Loan Documents by the Bank of any holder of this Note shall operate as a waiver of such rights.

This Note shall be governed and construed in accordance with the laws of the State of Michigan applicable to contracts made and to be performed entirely within such State.

**BORROWER:**

**APPLE ORCHARD, L.L.C.**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUN LAKEVIEW LLC**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUN TAMPA EAST, LLC**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CONTINUING UNCONDITIONAL GUARANTY**

This **CONTINUING UNCONDITIONAL GUARANTY** dated as of \_\_\_\_\_, 2008 (the "Guaranty"), is executed by **SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP**, a limited partnership, whose address is 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 (the "Guarantor"), to and for the benefit of **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association, whose address is 2600 West Big Beaver Road, Troy, Michigan 48084 (the "Bank").

**RECITALS:**

A. The Bank has agreed to extend a mortgage loan (the "Loan") to **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "Borrower"), in the principal amount of Twenty Seven Million and 00/100 Dollars (\$27,000,000.00) (the "Loan Amount"), pursuant to a Loan Agreement between the Borrower and the Bank of approximately even date herewith (the "Loan Agreement"), evidenced by a promissory note from the Borrower to the Bank, dated of even date with the Loan Agreement, in an aggregate principal amount equal to the Loan Amount (as amended, restated or replaced from time to time, the "Note").

B. As a condition to the Bank's loaning funds or providing other financial accommodations to the Borrower, the Bank requires that the Guarantor execute and deliver this Guaranty in order to support the obligations and performance of the Borrower under such loans or financial accommodations.

C. The Guarantor is financially interested in the Borrower and desires the Bank to extend or continue the extension of credit to the Borrower, which is necessary and desirable to the conduct and operation of the business of the Borrower and will inure to the financial benefit of the Guarantor.

NOW, THEREFORE, FOR VALUE RECEIVED, it is agreed that the preceding provisions and recitals are an integral part hereof and that this Guaranty shall be construed in light thereof, and in consideration of advances, credit or other financial accommodation heretofore afforded, concurrently herewith being afforded or hereafter to be afforded to the Borrower by the Bank, the Guarantor hereby unconditionally and absolutely guarantees to the Bank or other person paying or incurring the same, irrespective of the validity, regularity or enforceability of any instrument, writing, arrangement or credit agreement relating to or the subject of any such financial accommodation, the prompt payment in full of: (a) the Indebtedness (as hereinafter defined), plus (b) all costs, legal expenses and attorneys' and paralegals' fees of every kind (including those costs, expenses and fees of attorneys and paralegals who may be employees of the Agent, its parent or affiliates), paid or incurred by the Agent in endeavoring to collect all or any part of the Indebtedness, or in enforcing its rights in connection with any collateral therefor, or in enforcing this Guaranty, or in defending against any defense, counterclaim, setoff or crossclaim based on any act of commission or omission by the Bank with respect to the Indebtedness, any collateral therefor, or in connection with any Repayment Claim (as hereinafter defined) (collectively, the "Guaranteed Debt"). In addition, the Guarantor hereby unconditionally and absolutely guarantees to the Bank the prompt, full and faithful performance and discharge by the Borrower of each of the terms, conditions, agreements, representations and warranties on the part of the Borrower contained in any agreement, or in any modification or addenda thereto or substitution thereof in connection with any of the Indebtedness.

As used herein, "Indebtedness" shall mean and include any and all indebtedness, obligations and liabilities of the Borrower to the Bank arising: (a) under and pursuant to the Loan Agreement, the Note or the other Loan Documents (as defined in the Loan Agreement), including any and all new or renewal notes issued in substitution or replacement therefor or any and all extensions, renewals or replacements thereof, and (b) under any interest rate, currency or commodity swap agreement(s), cap agreement(s) or collar agreement(s), and any other agreement(s) or arrangement(s) designed to protect the Borrower against fluctuations in interest rates, currency exchange rates or commodity prices entered into in connection with the loan evidenced by the Notes.

Upon an event of default under the Guaranteed Debt, after the expiration of any applicable notice and cure periods, all of the Guaranteed Debt shall, without notice to anyone, immediately become due and all amounts due hereunder shall be payable by the Guarantor. The Guarantor hereby expressly and irrevocably: (a) waives, to the fullest extent possible, on behalf of itself and its successors and assigns (including any surety) and any other person, any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification, set off or to any other rights that could accrue to a guarantor or to the holder of a claim against any person, and which the Guarantor may have or hereafter acquire against any person in connection with or as a result of the Guarantor's execution, delivery and/or performance of this Guaranty, or any other documents to which the Guarantor is a party or otherwise; (b) waives any "claim" (as such term is defined in the United States Bankruptcy Code) of any kind against the Borrower, and further agrees that it shall not have or assert any such rights against any person (including any surety), either directly or as an attempted set off to any action commenced against the Guarantor by the Bank or any other person; and (c) acknowledges and agrees (i) the foregoing waivers are intended to benefit the Bank and shall not limit or otherwise affect the Guarantor's liability hereunder or the enforceability of this Guaranty, (ii) the Borrower and its successors and assigns are intended third party beneficiaries of the foregoing waivers, and (iii) the agreements set forth in this paragraph and the Bank's rights under this paragraph shall survive payment in full of the Guaranteed Debt.

All dividends or other payments received by the Bank on account of the Guaranteed Debt, from whatever source derived, shall be taken and applied by the Bank toward the payment of the Guaranteed Debt and in such order of application as the Bank may, in its sole discretion, from time to time elect. The Bank shall have the exclusive right to determine how, when and what application of payments and credits, if any, whether derived from the Borrower or any other source, shall be made on the Guaranteed Debt and such determination shall be conclusive upon the Guarantor.

This Guaranty shall in all respects be continuing, absolute and unconditional, and shall remain in full force and effect with respect to the Guarantor until: (i) written notice from the Bank to the Guarantor by United States certified mail of its discontinuance as to the Guarantor; or (ii) until all Guaranteed Debt created or existing before receipt of either such notice shall have been fully paid. If there is more than one Guarantor party hereto and this Guaranty is discontinued as to any Guarantor, this Guaranty shall nevertheless continue and remain in force against any other guarantor until discontinued as to all other Guarantors. In the event of the death, incompetency or dissolution of the Guarantor, this Guaranty shall continue as to all of the Guaranteed Debt theretofore incurred by the Borrower even though the Guaranteed Debt is renewed or the time of maturity of the Guaranteed Debt is extended without the consent of the successors or assigns of the Guarantor.

No compromise, settlement, release or discharge of, or indulgence with respect to, or failure, neglect or omission to enforce or exercise any right against any other guarantor shall release or discharge the Guarantor.



The Guarantor's liability under this Guaranty shall in no way be modified, affected, impaired, reduced, released or discharged by any of the following (any or all of which may be done or omitted by the Bank in its sole discretion, without notice to anyone and irrespective of whether the Guaranteed Debt shall be increased or decreased thereby): (a) any acceptance by the Bank of any new or renewal note or notes of the Borrower, or of any security or collateral for, or other guarantors or obligors upon, any of the Guaranteed Debt; (b) any compromise, settlement, surrender, release, discharge, renewal, refinancing, extension, alteration, exchange, sale, pledge or election with respect to the Guaranteed Debt, or any note by the Borrower, or with respect to any collateral under Section 1111 or any action under Section 364, or any other section of the United States Bankruptcy Code, now existing or hereafter amended, or other disposition of, or substitution for, or indulgence with respect to, or failure, neglect or omission to realize upon, or to enforce or exercise any liens or rights of appropriation or other rights with respect to, the Guaranteed Debt or any security or collateral therefor or any claims against any person or persons primarily or secondarily liable thereon; (c) any failure, neglect or omission to perfect, protect, secure or insure any of security interests, liens, or encumbrances of the properties or interests in properties subject thereto; (d) any change in the Borrower's name or the merger of the Borrower into another entity; or (e) any act of commission or omission of any kind or at any time upon the part of the Bank with respect to any matter whatsoever, other than the execution and delivery by the Bank to the Guarantor of an express written release or cancellation of this Guaranty. The Guarantor hereby consents to all acts of commission or omission of the Bank set forth above and agrees that the standards of good faith, diligence, reasonableness and care shall be measured, determined and governed solely by the terms and provisions hereof.

In order to hold the Guarantor liable hereunder, there shall be no obligation on the part of the Bank, at any time, to resort for payment to the Borrower or to anyone else, or to any collateral, security, property, liens or other rights and remedies whatsoever, all of which are hereby expressly waived by the Guarantor.

The Guarantor hereby expressly waives diligence in collection or protection, presentment, demand or protest or in giving notice to anyone of the protest, dishonor, default, or nonpayment or of the creation or existence of any of the Guaranteed Debt or of any security or collateral therefor or of the acceptance of this Guaranty or of extension of credit or indulgences hereunder or of any other matters or things whatsoever relating hereto.

The Guarantor waives any and all defenses, claims and discharges of the Borrower, or any other obligor, pertaining to the Guaranteed Debt, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Guarantor will not assert, plead or enforce against the Bank any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to the Borrower or any other person liable in respect of any of the Guaranteed Debt, or any setoff available against the Bank to the Borrower or any such other person, whether or not on account of a related transaction. The Guarantor expressly agrees that the Guarantor shall be and remain liable for any deficiency remaining after foreclosure of any mortgage or security interest securing the Guaranteed Debt, whether or not the liability of the Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

The Guarantor represents and warrants to the Bank that the financial statements of the Guarantor furnished to the Bank at or prior to the execution and delivery of this Guaranty fairly present the financial condition of the Guarantor for the periods shown therein, and since the dates covered by the most recent of such financial statements, there has been no material adverse change in the Guarantor's business operations or financial condition. The Guarantor agrees to advise the Bank immediately of any material

adverse change in the financial condition, business operations or any other status of the Guarantor. The Bank shall have the right at all times during business hours and upon reasonable advance written notice to inspect the books and records of the Guarantor and make extracts therefrom. Except as expressly shown on the most recent of such financial statements, the Guarantor owns all of its assets free and clear of all liens; is not a party to any litigation, nor is any litigation threatened to the knowledge of the Guarantor which would, if adversely determined, cause any material adverse change in its business or financial condition; and has no delinquent tax liabilities, nor have any tax deficiencies been proposed against it.

The Bank may, without demand or notice of any kind to anyone, apply or set off any balances, credits, deposits, accounts, moneys or other indebtedness at any time credited by or due from the Bank to the Guarantor against the amounts due hereunder and in such order of application as the Bank may from time to time elect.

THE GUARANTOR WAIVES EVERY DEFENSE, CAUSE OF ACTION, COUNTERCLAIM OR SETOFF WHICH THE GUARANTOR MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY THE BANK IN ENFORCING THIS GUARANTY. AS FURTHER SECURITY, ANY AND ALL DEBTS AND LIABILITIES NOW OR HEREAFTER ARISING AND OWING TO THE GUARANTOR BY THE BORROWER, OR TO ANY OTHER PARTY LIABLE TO THE BANK FOR THE BORROWER'S OBLIGATIONS, ARE HEREBY SUBORDINATED TO THE BANK'S CLAIMS AND ARE HEREBY ASSIGNED TO THE BANK. THE GUARANTOR HEREBY AGREES THAT THE GUARANTOR MAY BE JOINED AS A PARTY DEFENDANT IN ANY LEGAL PROCEEDING (INCLUDING, BUT NOT LIMITED TO, A FORECLOSURE PROCEEDING) INSTITUTED BY THE BANK AGAINST THE BORROWER. THE GUARANTOR, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES IRREVOCABLY THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING COMMENCED BY OR AGAINST THE GUARANTOR IN WHICH THE GUARANTOR AND THE BANK ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE BANK GRANTING ANY FINANCIAL ACCOMMODATION TO THE BORROWER AND ACCEPTING THIS GUARANTY.

Should a claim (a "Repayment Claim") be made upon the Bank at any time for repayment of any amount received by the Bank in payment of the Guaranteed Debt, or any part thereof, whether received from the Borrower, the Guarantor pursuant hereto, or received by the Bank as the proceeds of collateral, by reason of: (i) any judgment, decree or order of any court or administrative body having jurisdiction over the Bank or any of its property; or (ii) any settlement or compromise of any such Repayment Claim effected by the Bank, in its sole discretion, with the claimant (including the Borrower), the Guarantor shall remain liable to the Bank for the amount so repaid to the same extent as if such amount had never originally been received by the Bank, notwithstanding any termination hereof or the cancellation of any note or other instrument evidencing the Guaranteed Debt.

The Bank may, without notice to anyone, sell or assign the Guaranteed Debt, or any part thereof, or grant participations therein, and in any such event each and every immediate or remote assignee or holder of, or participant in, all or any of the Guaranteed Debt shall have the right to enforce this Guaranty, by suit or otherwise for the benefit of such assignee, holder, or participant, as fully as if herein by name specifically given such right herein, but the Bank shall have an unimpaired right, prior and superior to that of any such assignee, holder or participant, to enforce this Guaranty for the benefit of the Bank, as to any part of the Guaranteed Debt retained by the Bank.

Unless and until all of the Guaranteed Debt has been paid in full, no release or discharge of any other person, whether primarily or secondarily liable for and obligated with respect to the Guaranteed Debt, or the institution of bankruptcy, receivership, insolvency, reorganization, dissolution or liquidation proceedings by or against the Guarantor or any other person primarily or secondarily liable for and obligated with respect to the Guaranteed Debt, or the entry of any restraining or other order in any such proceedings, shall release or discharge the Guarantor, or any other guarantor of the indebtedness, or any other person, firm or corporation liable to the Bank for the Guaranteed Debt.

This Guaranty has been delivered to the Bank at its offices in Michigan, and the rights, remedies and liabilities of the parties shall be construed and determined in accordance with the laws of the State of Michigan, in which State it shall be performed by the Guarantor.

TO INDUCE THE BANK TO GRANT FINANCIAL ACCOMMODATIONS TO THE BORROWER, THE GUARANTOR IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OR IN CONSEQUENCE OF THIS GUARANTY SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE COUNTY OF OAKLAND, MICHIGAN. THE GUARANTOR HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING ITS SITUS IN THE COUNTY OF OAKLAND, MICHIGAN, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. THE GUARANTOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND CONSENTS TO THE SERVICE OF PROCESS BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO THE GUARANTOR AT THE ADDRESS INDICATED IN THE BANK'S RECORDS IN THE MANNER PROVIDED BY APPLICABLE STATUTE, LAW, RULE OF COURT OR OTHERWISE. FURTHERMORE, THE GUARANTOR WAIVES ALL NOTICES AND DEMANDS IN CONNECTION WITH THE ENFORCEMENT OF THE BANK'S RIGHTS HEREUNDER, AND HEREBY CONSENTS TO, AND WAIVES NOTICE OF THE RELEASE, WITH OR WITHOUT CONSIDERATION, OF THE BORROWER OR ANY OTHER PERSON RESPONSIBLE FOR PAYMENT OF THE BORROWER'S OBLIGATIONS, OR OF ANY COLLATERAL THEREFOR.

Wherever possible each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

It is agreed that the Guarantor's liability is independent of any other guaranties at any time in effect with respect to all or any part of the Guaranteed Debt, and that the Guarantor's liability hereunder may be enforced regardless of the existence of any such other guaranties.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof, or the exercise of any other right or remedy. No modification, termination, discharge or waiver of any of the provisions hereof shall be binding upon the Bank, except as expressly set forth in a writing duly signed and delivered on behalf of the Bank.

The execution, delivery and performance of this Guaranty by the Guarantor have been duly authorized by all necessary action on the part of the Guarantor and do not and will not (i) require any consent or approval which has not been obtained, (ii) violate any provision of organizational documents of the Guarantor or of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Guarantor; (iii) require the consent or approval of,

or filing or registration with, any governmental body, agency or authority, or (iv) result in a breach of or constitute a default under, or result in the imposition of any lien, charge or encumbrance upon any property of the Guarantor pursuant to, any indenture or other agreement or instrument under which the Guarantor is a party or by which it or any of its properties may be bound or affected. The person(s) executing and delivering this Guarantor for and on behalf of the Guarantor, are duly authorized to so act.

This Guaranty: (i) is valid, binding and enforceable in accordance with its provisions, and no conditions exist to the legal effectiveness of this Guaranty as to the Guarantor; (ii) contains the entire agreement between the Guarantor and the Bank; (iii) is the final expression of their intentions; and (iv) supersedes all negotiations, representations, warranties, commitments, offers, contracts (of any kind or nature, whether oral or written) prior to or contemporaneous with the execution hereof. No prior or contemporaneous representations, warranties, understandings, offers or agreements of any kind or nature, whether oral or written, have been made by the Bank or relied upon by the Guarantor in connection with the execution hereof.

The term "Guarantor" as used herein shall mean all parties signing this Guaranty, and the provisions hereof shall be binding upon the Guarantor, and each one of them, and all such parties, their respective successors and assigns shall be jointly and severally obligated hereunder. This Guaranty shall inure to the benefit of the Bank and its successors and assigns.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the Guarantor has executed and delivered this Continuing Unconditional Guaranty as of the day and year first above written.

**GUARANTOR:**

**SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP**, a Michigan limited partnership

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## ENVIRONMENTAL INDEMNITY AGREEMENT

This ENVIRONMENTAL INDEMNITY AGREEMENT dated as of \_\_\_\_\_, 2008 (the "Agreement"), is executed by APPLE ORCHARD, L.L.C., a Michigan limited liability company, whose address is 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 (the "Mortgagor"), and SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP, a limited partnership, whose address is 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 (the "Guarantor;" the Mortgagor and the Guarantor being referred to herein collectively as the "Indemnitor"), to and for the benefit of LASALLE BANK MIDWEST NATIONAL ASSOCIATION, a national banking association, whose address is 2600 West Big Beaver Road, Troy, Michigan 48084, its successors and assigns (the "Bank").

### RECITALS:

A. The Bank has agreed to extend a mortgage loan (the "Loan") to APPLE ORCHARD, L.L.C., a Michigan limited liability company; SUN LAKEVIEW LLC, a Michigan limited liability company; and SUN TAMPA EAST, LLC, a Michigan limited liability company (collectively, the "Borrower"), in the principal amount of Twenty Seven Million and 00/100 Dollars (\$27,000,000.00) (the "Loan Amount"), evidenced by a promissory note from the Borrower to the Bank, dated of even date with the Loan Agreement, in an aggregate principal amount equal to the Loan Amount (as amended, restated or replaced from time to time, the "Note").

B. Mortgagor has granted to the Bank a mortgage (the "Mortgage") covering certain real property situated in the State of Ohio, as more particularly described in Exhibit A attached hereto (the "Property"), as security for the Loan evidenced by the Note.

C. As a condition to making the Loan, the Bank has required that the Indemnitor indemnify the Bank with respect to environmental conditions and operations at the Property as set forth below.

NOW, THEREFORE, to induce the Bank to extend the Loan and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor hereby covenants and agrees for the benefit of the Bank and the other Indemnified Parties (as defined below), as follows:

### A G R E E M E N T S:

#### • ENVIRONMENTAL MATTERS.

1.1 Definitions. For purposes of this Agreement the following terms have the following meanings:

"Business Day" shall mean a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in Troy, Michigan, are authorized by law to be closed.

"Environmental Laws" shall mean any and all federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority relating to or imposing liability or standards of conduct (including disclosure or notification) concerning protection of human health or the

environment or Hazardous Substances or any activity involving Hazardous Substances, all as previously and in the future to be amended.

"Hazardous Substance" shall mean, but is not limited to, any substance, chemical, material or waste (a) the presence of which causes a nuisance or trespass of any kind; (b) which is regulated by any federal, state or local governmental authority because of its toxic, flammable, corrosive, reactive, carcinogenic, mutagenic, infectious, radioactive, or other hazardous property or because of its effect on the environment, natural resources or human health and safety, including, but not limited to, petroleum and petroleum products, asbestos-containing materials, polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives; or (c) which is designated, classified, or regulated as being a hazardous or toxic substance, material, pollutant, waste (or a similar such designation) under any federal, state or local law, regulation or ordinance, including under any Environmental Law such as the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §11001 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §1801 et seq.), or the Clean Air Act (42 U.S.C. §7401 et seq.).

"Indemnified Parties" shall mean and includes the Bank, its parent, subsidiaries, and affiliated companies, assignees of any of the Bank's interest in the Loan or the Loan Documents, any servicer or originator of the Loan, and the officers, directors, employees, agents and contractors of any of the foregoing parties.

"Loan Documents" means the documents evidencing or securing the Loan and this Agreement, as amended from time to time.

"Release" shall mean any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

"Reports" shall mean the environmental studies and reports identified on Exhibit B attached hereto and made a part hereof.

1.2 Definitions. For purposes of this Agreement the following terms have the following meanings:

"Business Day" shall mean a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in Troy, Michigan, are authorized by law to be closed.

"Environmental Laws" shall mean any and all federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority relating to or imposing liability or standards of conduct (including disclosure or notification) concerning protection of human health or the environment or Hazardous Substances or any activity involving Hazardous Substances, all as previously and in the future to be amended.

"Hazardous Substance" shall mean, but is not limited to, any substance, chemical, material or waste (a) the presence of which causes a nuisance or trespass of any kind; (b) which is regulated by any federal, state or local governmental authority because of its toxic, flammable,

corrosive, reactive, carcinogenic, mutagenic, infectious, radioactive, or other hazardous property or because of its effect on the environment, natural resources or human health and safety, including, but not limited to, petroleum and petroleum products, asbestos-containing materials, polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives; or (c) which is designated, classified, or regulated as being a hazardous or toxic substance, material, pollutant, waste (or a similar such designation) under any federal, state or local law, regulation or ordinance, including under any Environmental Law such as the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §11001 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §1801 et seq.), or the Clean Air Act (42 U.S.C. §7401 et seq.).

"Indemnified Parties" shall mean and includes the Bank, its parent, subsidiaries, and affiliated companies, assignees of any of the Bank's interest in the Loan or the Loan Documents, any servicer or originator of the Loan, and the officers, directors, employees, agents and contractors of any of the foregoing parties.

"Loan Documents" means the documents evidencing or securing the Loan and this Agreement, as amended from time to time.

"Release" shall mean any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

"Reports" shall mean the environmental studies and reports identified on Exhibit B attached hereto and made a part hereof.

1.3 Environmental Representations and Warranties. Except as otherwise fully disclosed by the Indemnitor to the Indemnified Parties in writing or fully disclosed to the Indemnified Parties in the Reports, the Indemnitor hereby represents and warrants to the Indemnified Parties that, as of the date hereof:

(a) neither the Property nor any operations of the Mortgagor are in violation of any Environmental Laws or any permit or other authorization issued pursuant thereto;

(b) no Hazardous Substances are, or to the Indemnitor's knowledge and belief, have been handled, generated, stored, processed or otherwise managed on or at the Property except for those substances used by the Mortgagor or tenants under leases at the Property in the ordinary course of their occupancy and/or their businesses and in compliance with all Environmental Laws;

(c) excluding de minimus Releases or those in accordance with the Environmental Laws, there are not, to the Indemnitor's knowledge, any past or present Releases of Hazardous Substances in, on, under or from the Property;

(d) the Property is not subject to any private or governmental lien or judicial or administrative notice or action relating to Hazardous Substances;

(e) to Indemnitor's knowledge, there are no existing or closed underground storage tanks or other underground storage receptacles for Hazardous Substances on the Property;



(f) the Indemnitor has received no notice of, and to the Indemnitor's knowledge, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Property or any of the Mortgagor's operations, nor does the Indemnitor know of any basis for such a claim;

(g) there has been no claim by any party that any use, operation or condition of the Property or any of the Mortgagor's operations has caused any nuisance or any other liability or adverse condition on any other property nor does the Indemnitor know of any basis for such a claim; and

(h) there are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority or agreements, whether settlement agreements or otherwise, with any third parties relating to the ownership, use, operation, sale, transfer or conveyance of the Property that require any change in the present condition of the Property or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Property.

1.4 Environmental Covenants. The Mortgagor covenants and agrees that the Mortgagor: (a) shall keep or cause the Property to be kept free from Hazardous Substances (except those substances used by the Mortgagor or tenants under leases at the Property in the ordinary course of their occupancy and/or businesses and in material compliance with all Environmental Laws); (b) shall not install or use any underground storage tanks, shall not itself engage in and shall include in its leases an express prohibition from tenants engaging in the use, generation, handling, storage, production, processing or management of Hazardous Substances, except in the ordinary course of their occupancy and/or their businesses and in compliance with all Environmental Laws; (c) shall not itself cause or allow and shall expressly prohibit the Release of Hazardous Substances at, on, under, or from the Property; (d) shall itself comply and shall expressly require in its leases that all tenants shall, and shall require that its agents and contractors, comply with all Environmental Laws; (e) shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of the Mortgagor or any other person or entity ("Environmental Liens"); (f) shall comply and cause all occupants of the Property to comply with the recommendations of any qualified environmental engineer or other expert retained by an Indemnitor or Indemnified Party hereunder that apply or pertain to the Property; and (g) without limiting the generality of the foregoing, during the term of this Agreement, shall not use any construction materials which contain asbestos nor install in the Improvements on the Property; or permit to be installed in the Improvements on the Property, any materials which contain asbestos.

1.5 Notice and Access. The Indemnitor shall promptly notify the Indemnified Parties in writing if the Indemnitor knows, suspects or believes there is or are (a) any Hazardous Substances, other than those used by the Mortgagor or tenants under leases at the Property in the ordinary course of their occupancy and/or their businesses and in material compliance with all Environmental Laws, present on the Property; (b) any Release of Hazardous Substances in, on, under, from or migrating towards the Property; (c) any material non-compliance with Environmental Laws related in any way to the Property; (d) any actual or potential Environmental Liens; (e) any investigation or action or claim, whether threatened or pending, by any governmental agency or third party pertaining to the Release of Hazardous Substances in, on, under, from, or migrating towards the Property; and/or (f) any installation of wells, piping, or other equipment at the Property to investigate, remediate or otherwise address any Release of

Hazardous Substances at, on, in or in the vicinity of the Property. The Indemnitor shall promptly, at the Indemnitor's sole cost and expense, take all reasonable actions with respect to any Hazardous Substances or other environmental condition at, on or under the Property or other affected property, including all investigative, monitoring, removal, containment and remedial actions in accordance with all applicable Environmental Laws, including the payment, at no expense to the Indemnified Parties, of all clean-up, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Property in all instances as necessary to (i) comply with all applicable Environmental Laws; (ii) protect human health or the environment; (iii) allow continued use, occupation, or operation of the Property; and/or (iv) maintain the fair market value of the Property (collectively, the "Completion of the Clean-up"). Such Completion of the Clean-up may include the imposition of institutional controls such as deed and/or use restrictions in the reasonable judgment of the Indemnitor, provided that such controls or restrictions do not impact the ability to use the property for its intended use. In the event the Indemnitor fails to do so, the Indemnified Parties may, but shall not be obligated or have any duty to, cause the Completion of the Clean-up of the Property. The Mortgagor hereby grants to the Indemnified Parties and their agents and employees access to the Property as provided in Section 1.6 below, and a license to remove any items deemed by the Indemnified Parties to be Hazardous Substances and to do all things the Indemnified Parties shall deem necessary to cause the Completion of the Clean-up of the Property.

1.6 Indemnification. The Indemnitor covenants and agrees, at the Indemnitor's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts reasonably acceptable to the Indemnified Parties), and hold the Indemnified Parties harmless from and against any and all liens, damages (including, without limitation, consequential damages), losses, liabilities, obligations, settlement payments, penalties, claims, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including reasonable attorneys', consultants' and experts' fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted against the Indemnified Parties or the Property, and arising directly or indirectly from or out of:

- (a) the past, present or future presence, Release or threat of Release of any Hazardous Substances on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of the Indemnitor;
- (b) the past, present or future violation of any Environmental Laws, relating to or affecting the Property or the Mortgagor's operations, whether or not caused by or within the control of the Indemnitor;
- (c) the failure by the Indemnitor to comply fully with the terms and conditions of this Section 1;
- (d) any misrepresentation or inaccuracy in or the breach of any representation or warranty contained in this Section 1; or
- (e) the enforcement of this Section 1, including any liabilities that arise as a result of the actions taken or caused to be taken by the Indemnified Parties under this Section 1, the cost of assessment, containment and/or removal of any and all Hazardous Substances from all or any portion of the Property or any surrounding areas, the cost of any actions taken in response to the presence, Release or threat of Release of any Hazardous Substances on, in, under or affecting any portion of the Property or any surrounding areas to prevent or minimize such Release or threat of Release so that it does not migrate or otherwise cause or threaten danger to present or future

public health, safety, welfare or the environment, and costs incurred to comply with the Environmental Laws in connection with all or any portion of the Property or any surrounding areas. The Indemnified Parties' rights under this Section 1 shall survive payment in full of the Mortgagor's obligations under the Loan Documents and shall be in addition to all other rights of the Indemnified Parties under the Mortgage and the other Loan Documents. The foregoing notwithstanding, the Indemnitor's obligations under this Section 1 with regard to any Post Transfer Indemnification Responsibilities (as hereinafter defined) shall be limited to such obligations directly or indirectly arising out of or resulting from any Hazardous Substances that were present or released in, on, or around any part of the Property, or in the soil, groundwater or soil vapor on or under the Property at any time before or while the Mortgagor held title to or was in possession or control of the Property and shall not relate to any Release of Hazardous Substances caused by an Indemnified Party, its agents or those under its control at any time nor to the extent of any exacerbation of existing environmental conditions caused by an Indemnified Party, its agents or those under its control (the "Indemnitor's Continuing Responsibility"); provided, however, that any Post Transfer Indemnification Responsibilities incurred or suffered by the Indemnified Parties shall be presumed, unless shown by a preponderance of the evidence to the contrary, to be the Indemnitor's Continuing Responsibility. "Post Transfer Indemnification Responsibilities" shall mean any obligations hereunder to indemnify, defend, and hold the Indemnified Parties harmless arising after the Indemnified Parties cease to hold a security interest in the Property or acquire title to the Property as a result of foreclosure, deed in lieu of foreclosure, or other transfer of the Property.

1.7 Site Visits, Observation and Testing. The Indemnified Parties and their agents and representatives shall have the right at any reasonable time to enter and visit the Property for the purposes of observing the Property, taking and removing soil or groundwater samples, and conducting tests on any part of the Property. The Indemnified Parties have no duty, however, to visit or observe the Property or to conduct tests, and no site visit, observation or testing by any Indemnified Party shall impose any liability on any Indemnified Party. In no event shall any site visit, observation or testing by any Indemnified Party be a representation that Hazardous Substances are or are not present in, on or under the Property, or that there has been or shall be compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither the Indemnitor nor any other party is entitled to rely on any site visit, observation or testing by any Indemnified Party. The Indemnified Parties owe no duty of care to protect the Indemnitor or any other party against, or to inform the Indemnitor or any other party of, any Hazardous Substances or any other adverse condition affecting the Property. The Indemnified Parties may in their discretion disclose to the Indemnitor or any other party any report or findings made as a result of, or in connection with, any site visit, observation or testing by the Indemnified Parties. The Indemnitor understands and agrees that the Indemnified Parties make no representation or warranty to the Indemnitor or any other party regarding the truth, accuracy or completeness of any such report or findings that may be disclosed. The Indemnitor also understands that, depending on the results of any site visit, observation or testing by any Indemnified Party which are disclosed to the Indemnitor, the Indemnitor may have a legal obligation to notify one or more environmental agencies of the results and that such reporting requirements are site-specific and are to be evaluated by the Indemnitor without advice or assistance from the Indemnified Parties. Any Indemnified Party shall give the Mortgagor reasonable notice before entering the Property. Such Indemnified Party shall make reasonable efforts to avoid interfering with the Mortgagor's use of the Property in exercising any rights provided in this Section 1.

• **REINSTATEMENT OF OBLIGATIONS.**

If at any time all or any part of any payment made by the Indemnitor or received by the Indemnified Parties from the Indemnitor under or with respect to this Agreement is or must be rescinded or returned for any reason whatsoever, including the insolvency, bankruptcy or reorganization of any Indemnitor under any Debtor Relief Law (as defined below), then the obligations of the Indemnitor hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous payment made by the Indemnitor, or receipt of payment by an Indemnified Party, and the obligations of the Indemnitor hereunder shall continue to be effective or be reinstated, as the case may be, as to such payment, all as though such previous payment by the Indemnitor had never been made.

• **WAIVERS.**

To the extent permitted by law, Indemnitor, for itself and its successors, hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Indemnified Parties to proceed against any other person or to proceed against or exhaust any security held by the Indemnified Parties at any time or to pursue any other remedy in the Indemnified Parties' power or under any other agreement before proceeding against the Indemnitor hereunder;

(b) the defense of the statute of limitations in any action hereunder;

(c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of the Indemnified Parties to file or enforce a claim against the estate (in administration, bankruptcy or any other proceedings) of any other person or person;

(d) demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notices of any kind, or the lack of any thereof, including, without limiting the generality of the foregoing, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of the Indemnified Parties, any endorser or creditor of the Indemnitor or any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by the Indemnified Parties;

(e) any right or claim of right to cause a marshalling of the assets of the Indemnitor;

(f) any principle or provision of law, statutory or otherwise, which is or might be in conflict with the terms and provisions of this Agreement;

(g) any duty on the part of the Indemnified Parties to disclose to the Indemnitor any facts the Indemnified Parties may now or hereafter know about the Property, regardless of whether the Indemnified Parties have reason to believe that any such facts materially increase the risk beyond that which the Indemnitor intends to assume or have reason to believe that such facts are unknown to the Indemnitor or have a reasonable opportunity to communicate such facts to the Indemnitor, it being understood and agreed that the Indemnitor is fully responsible for being and keeping informed of the condition of the Property and of any and all circumstances bearing on the risk that liability may be incurred hereunder;

- (h) any lack of notice of disposition or of manner of disposition of any collateral for the Loan;
- (i) any invalidity, irregularity or unenforceability, in whole or in part, of any one or more of the Loan Documents;
- (j) any lack of commercial reasonableness in dealing with the collateral for the Loan;
- (k) any deficiencies in the collateral for the Loan or any deficiency in the ability of the Indemnified Parties to collect or to obtain performance from any person or entities now or hereafter liable for the payment and performance of any obligation hereby guaranteed;
- (l) any assertion or claim that the automatic stay provided by 11 U.S.C. §362 (arising upon the voluntary or involuntary bankruptcy proceeding of the Indemnitor) or any other stay provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of the Indemnified Parties to enforce any of their rights, whether now or hereafter required, which the Indemnified Parties may have against the Indemnitor or the collateral for the Loan; and
- (m) any modifications of the Loan Documents or any obligation of the Indemnitor relating to the Loan by operation of law or by action of any court, whether pursuant to the Bankruptcy Reform Act of 1978, as amended or recodified (the "Bankruptcy Code"), or under any other present or future state or federal law regarding bankruptcy, reorganization or other relief to debtors (collectively, the "Debtor Relief Law"), or otherwise.

• **GENERAL PROVISIONS.**

4.1 **Full Recourse.** All of the terms and provisions of this Agreement are full recourse obligations of the Indemnitor and not restricted by any limitation on personal liability.

4.2 **Secured Obligations.** The Indemnitor hereby acknowledges that the obligations of the Indemnitor under this Agreement are secured by the lien of the Mortgage and the security interests and other collateral described in the Mortgage and the other Loan Documents.

4.3 **Survival.** This Agreement shall be deemed to be continuing in nature and shall remain in full force and effect and shall survive the payment of the indebtedness evidenced and secured by the Loan Documents and the exercise of any remedy by the Indemnified Parties under the Mortgage or any of the other Loan Documents, including any foreclosure or deed in lieu thereof, even if, as a part of such remedy, the Loan are paid or satisfied in full.

4.4 **No Recourse Against the Indemnified Parties.** The Indemnitor shall not have any right of recourse against the Indemnified Parties by reason of any action the Indemnified Parties may take or omit to take under the provisions of this Agreement or under the provisions of any of the Loan Documents.

4.5 **Reservation of Rights.** Nothing contained in this Agreement shall prevent or in any way diminish or interfere with any rights or remedies, including the right to contribution, which the Indemnified Parties may have against the Indemnitor or any other party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified at Title 42 U.S.C. §9601 et

seq.), as it may be amended from time to time, or any other applicable federal, state or local laws, all such rights being hereby expressly reserved.

4.6 Rights Cumulative; Payments. The Indemnified Parties' rights under this Agreement shall be in addition to all rights of the Indemnified Parties under the Loan Documents. Further, payments made by the Indemnitor under this Agreement shall not reduce in any respect the Mortgagor's obligations and liabilities under the Loan Documents.

4.7 No Limitation on Liability. The Indemnitor hereby consents and agrees that the Indemnified Parties may at any time and from time to time without further consent from the Indemnitor do, permit or cause any of the following events, and the liability of the Indemnitor under this Agreement shall be unconditional and absolute and shall in no way be impaired or limited by the occurrence of any of the following events, whether occurring with or without notice to the Indemnitor, or with or without consideration: (a) any extensions of time for performance required by any of the Loan Documents or extension or renewal of the Loan; (b) any sale, assignment or foreclosure of any of the Loan Documents or any sale or transfer of the Property; (c) any change in the composition of the Indemnitor; (d) the accuracy or inaccuracy of the representations and warranties made by the Indemnitor herein or in any of the Loan Documents; (e) the release of the Indemnitor or of any other person or entity from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, the Indemnified Parties' voluntary act or otherwise; (f) the release or substitution in whole or in part of any security for the Loan; (g) the Bank's failure to record the Mortgage or to file any financing statement (or the Bank's improper recording or filing thereof) or to otherwise perfect, protect, secure or insure any lien or security interest given as security for the Loan; (h) the modification of the terms of any one or more of the Loan Documents; or (i) the taking or failure to take any action of any type whatsoever. No such action which the Indemnified Parties shall take or fail to take in connection with the Loan Documents or any collateral for the Loan, nor any course of dealing with the Indemnitor or any other person, shall limit, impair or release the Indemnitor's obligations hereunder, affect this Agreement in any way or afford the Indemnitor any recourse against the Indemnified Parties. Nothing contained in this Paragraph shall be construed to require the Indemnified Parties to take or refrain from taking any action referred to herein.

4.8 Entire Agreement; Amendment; Severability. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes (except as to the Mortgage) all prior agreements, whether written or oral, between the parties respecting such matters. Any amendments or modifications hereto, in order to be effective, shall be in writing and executed by the parties hereto. If any provision or obligation under this Agreement or any of the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from the Loan Documents and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal or unenforceable provision had never been a part of the Loan Documents.

4.9 Governing Law; Binding Effect. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located, except to the extent that the applicability of any of such laws may now or hereafter be preempted by Federal law, in which case such Federal law shall so govern and be controlling. The terms, covenants and conditions of this Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. The Indemnified Parties and any successor may, at any time, sell, transfer, or assign its interest under the Loan Documents, any or all servicing rights with respect thereto, and this Agreement or grant participations. The Indemnified Parties may forward to each purchaser, transferee, assignee, servicer, participant or investor (all of the foregoing entities collectively referred to as an "Investor") and each

prospective Investor, all documents, financial and other information which the Indemnified Parties now have or may hereafter acquire relating to (a) the Loan; (b) the Property and its operation (including, without limitation, copies of all leases, subleases or any other agreements concerning the use and occupancy of the Property); and/or (c) any party connected with the Loan (including, without limitation, the Indemnitor, any partner or member of the Indemnitor and any constituent partner or member of the Indemnitor). The representations, warranties, obligations, covenants, and indemnity obligations of the Indemnitor under this Agreement shall also benefit and apply with respect to any purchaser, transferee, assignee, participant, servicer or investor.

4.10 Notices. All notices or other communications required or permitted to be given pursuant hereto shall be given in the manner specified in the Mortgage directed to the parties at their respective addresses as provided therein.

4.11 No Waiver; Time of Essence; Interpretation; Counting of Days. The failure of any party hereto to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy, shall not constitute a waiver thereof nor give rise to any estoppel against such party nor excuse any of the parties hereto from their respective obligations hereunder. Any waiver of such right or remedy must be in writing and signed by the party to be bound. Whenever used, the singular number shall include the plural, the plural the singular, and the words "Indemnified Parties" and "Indemnitor" shall include their respective successors, assigns, heirs, executors and administrators. The word "include(s)" means "include(s), without limitation", and the word "including" means "including, but not limited to". This Agreement is subject to enforcement at law or in equity, including actions for damages or specific performance. Time is of the essence of each and every term and condition of this Agreement. The term "days" when used herein shall mean calendar days. If any time period ends on a Saturday, Sunday or holiday officially recognized by the state within which the Property is located, the period shall be deemed to end on the next succeeding Business Day.

4.12 Headings. The headings of the sections and paragraphs of this Agreement are for convenience of reference only and shall not be construed in interpreting the provisions hereof.

4.13 Attorneys' Fees. The Indemnitor agrees to pay all of the Indemnified Parties' costs and expenses, including reasonable attorneys' fees, which may be incurred in enforcing or protecting the Indemnified Parties' rights or interests hereunder. From the time(s) incurred until paid in full to the Indemnified Parties, all such sums shall bear interest at the Default Rate. However, in the event of a dispute between the Indemnitor and the Indemnified Parties with respect to Indemnitor's obligations hereunder that is taken to court and a court of competent jurisdiction rules in Indemnitor's favor, Indemnitor shall have no obligation to pay for any of the Indemnified Parties' costs and expenses hereunder.

4.14 Successive Actions. A separate right of action hereunder shall arise each time the Indemnified Parties acquires knowledge of any matter indemnified by the Indemnitor under this Agreement. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and the Indemnitor hereby waives and covenants not to assert any defense in the nature of splitting of causes of action or merger of judgments.

4.15 Joint and Several Liability. If more than one person or entity is signing this Agreement as the Indemnitor, their obligations under this Agreement will be joint and several. As to any Indemnitor that is a partnership, the obligations of such Indemnitor under this Agreement are the joint and several obligation of each general partner thereof. Any married person signing this Agreement agrees that

recourse may be had against community property assets and against his or her separate property for the satisfaction of all obligations contained herein.

4.16 Reliance. The Indemnified Parties would not make the Loan without this Agreement. Accordingly, the Indemnitor intentionally and unconditionally enters into the covenants and agreements herein and understands that, in reliance upon and in consideration of such covenants and agreements, the Loan shall be made and, as part and parcel thereof, specific monetary and other obligations have been, are being and shall be entered into which would not be made or entered into but for such reliance.

4.17 Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page.

4.18 WAIVER OF TRIAL BY JURY. THE INDEMNITOR AND THE LENDER (BY ACCEPTANCE OF THIS AGREEMENT), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS AGREEMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS AGREEMENT OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE INDEMNITOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

4.19 Waiver of Bankruptcy Stay. The Indemnitor covenants and agrees that upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against the Indemnitor, the Indemnitor shall not seek a supplemental stay or otherwise pursuant to 11 U.S.C. § 105 or any other provision of the Bankruptcy Code or any other Debtor Relief Law, to stay, interdict, condition, reduce or inhibit the ability of the Indemnified Parties to enforce any rights of the Indemnified Parties against the Indemnitor by virtue of this Agreement or otherwise.

*[SIGNATURE PAGE FOLLOWS]*



**MORTGAGOR:**

**APPLE ORCHARD, L.L.C.**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership

Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation

Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GUARANTOR:**

**SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP**, a Michigan limited partnership

By: Sun Communities, Inc., a Maryland corporation

Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LEGAL DESCRIPTION OF REAL ESTATE

Land situated in the County of Clermont, Township of Miami, State of Ohio, is described as follows:

Parcel 1

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Beginning at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West 29.71 feet from a 1 inch iron pipe at the Northwest corner of lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 second East 265.47 feet to a 1/2 inch iron pin; thence, with the line of H. Wayne Klekamp, Inc. and fenced line of Bertie Trester, South 06 degrees 36 minutes 08 seconds West 888.99 feet to a 5/8 inch iron pin; thence, with the North line of By-Pass StateRoute 28, South 71 degrees 27 minutes 11 seconds West 452.65 feet to a 5/8 inch iron pin; thence, continuing with said North line of said By-Pass State Route No. 28, South 67 degrees 31 minutes 49 seconds West, 434.44 feet to a 5/8 inch iron pin; thence with the fenced line of B & R Partnership, North 13 degrees 49 minutes 16 seconds East 609.49 feet to a 3/4 inch iron pin; thence, with the fenced line of Paul and Janet Bilton, North 81 degrees 00 minutes 48 seconds East 180.74 feet to a 3/4 inch iron pin; thence, with the fenced line of Mulberry Wesleyan Church, Inc., North 54 degrees 54 minutes 10 seconds East 359.78 feet to a 1 inch pipe; thence continuing with said fenced line of Mulberry Wesleyan Church, Inc. North 66 degrees 31 minutes 42 seconds East 151.50 feet to a 3/8 inch iron pin, thence, continuing with said fenced line of Mulberry Wesleyan Church, Inc., North 18 degrees 31 minutes 24 seconds West 58.02 feet to a 1 inch pipe, thence, with said line of Mulberry Wesleyan Church, Inc., and Harry Kapourales, North 75 degrees 09 minutes 36 seconds East, 170.08 feet to a 1/2 inch iron pin; thence, continuing with said line of said Harry Kapourales and passing a 5/8 inch iron pin at 232.09 feet, North 13 degrees 17 minutes 13 seconds West 262.09 feet to State Route No. 28; thence with said State Route No. 28, North 77 degrees 12 minutes 47 seconds East 94.23 feet to the beginning. The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county.

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835

Parcel 2

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Commencing at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West, 29.71 feet from a 1 inch iron pipe at the Northwest corner of Lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said Lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 seconds East 265.47 feet to a 1/2 iron pin; thence, with the line of H. Wayne Klekamp, Inc., fenced line of Bertie Trester and crossing the State Route No. 28 by-pass, South 06 degrees 36 minutes 08 seconds West 1120.97 feet to a 5/8 inch iron pin and the beginning; thence, with the fenced line of Rosa Trester and West line of Lakeside Park Subdivision, South 06 degrees 36 minutes 08 seconds West 656.69 feet to a 1/2 inch iron pin; thence with the line of Jerome L. Decker North 72 degrees 10 minutes 36 seconds West, 196.61 feet to a 5/8 inch iron pin; thence continuing with said line of Jerome L. Decker, South 37 degrees 05 minutes 47

seconds West 349.43 feet to a 1/2 inch iron pin; thence with the line of Betty Swafford and fenced line of Donald Gordon, North 73 degrees 48 minutes 40 seconds West 591.53 feet to a 1/2 inch iron pin; thence, continuing with said fenced line of Donald Gordon and fenced line of Elsie Walker, North 35 degrees 18 minutes 04 seconds East 357.85 feet to a 5/8 inch iron pin; thence, continuing with said fenced line of Elsie Walker, North 72 degrees 19 minutes 17 seconds West, 50.08 feet to a 1/2 inch iron pin; thence with the fenced line of the Board of County Commissioners, North 13 degrees 49 minutes 16 seconds East 163.75 feet to a 5/8 inch iron pin; thence with the South line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 583.81 feet to a 5/8 inch iron pin; thence, continuing with said South line of By-Pass State Route No. 28, South 13 degrees 21 minutes 01 seconds East 41.17 feet to a 5/8 inch iron pin; thence, still continuing with the south line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 295.68 feet to the beginning.

The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835.

### Parcel 3

Situated in Pierson's Military Survey No. 928 and Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows: Beginning at an iron pin set at the southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with the South line of Lot No. 8, as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East for a distance of 449.88 feet to an iron pin set corner to lands of Edgar Lawson; thence with the lines of said Lawson the following three courses and distances, (1) South 12 degrees 58 minutes 13 seconds West for a distance of 579.29 feet to an iron pin set; (2) North 86 degrees 11 minutes 40 seconds West for a distance of 462.91 feet to an iron pin set; (3) South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner of lands of the Clermont Christian Assembly, Inc., thence with the north line of The Clermont Christian Assembly, Inc. North 84 degrees 13 minutes 43 seconds West for a distance of 1597.30 feet to an existing iron pin corner to lands of Martha and Karen Simpson; thence with the East line of said Simpson and the East line of Elmer and Marjorie Parker North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike in the centerline of Back Run Road; thence leaving said road with the South line of lands of Steven and Karen Seipelt South 84 degrees 44 minutes 18 seconds East (passing an iron pin set at 25.00 feet) for a total distance of 637.57 feet to an existing iron pipe corner to said Seipelt; thence with the Easterly lines of said Seipelt and the Easterly line of Jessie and Judith Cowans the following two courses and distances (1) North 06 degrees 42 minutes 55 seconds West for a distance of 26.05 feet to an existing iron pipe at an angle point in Seipelt's Easterly line (2) North 30 degrees 41 minutes 42 seconds East for a distance of 661.30 feet to an existing iron pipe corner to said Cowans; thence with the North line of Cowans North 84 degrees 35 minutes 35 seconds West for a distance of 594.03 feet to an existing iron pipe corner to lands of Mamie Kemper; thence with the East line of said Kemper and partially with the East line of Lands of Terry and Beverly Hoskins North 12 degrees 11 minutes 18 seconds East for a distance of 891.21 feet to an iron pin set corner to lands of the Bethel Jehovah's Witnesses; thence with the lines of the Bethel Jehovah's Witnesses the following three (3) courses and distances, (1) South 86 degrees 24 minutes 00 seconds East for a distance of 236.94 feet to an iron pin set; (2) North 03 degrees 36 minutes 00 seconds East for a distance of 66.00 feet to an iron pin set; (3) South 86 degrees 24 minutes 00 seconds East for a distance of 33.00 feet to an iron pin set corner to lands of Dale and Irene DeWeese; thence with the Southerly line of said DeWeese South 61 degrees 24 minutes 00 seconds East for a distance of 161.15 feet to an existing iron pin corner of lands of Clermont Metropolitan Housing Authority; thence with the lines of said Clermont Metropolitan Housing Authority the following six (6)

courses and distances, (1) South 35 degrees 56 minutes 13 seconds East for a distance of 183.96 feet to an iron pin set; (2) South 61 degrees 48 minutes 54 seconds East for a distance of 157.41 feet to a wood post; (3) North 77 degrees 59 minutes 07 seconds East for a distance of 131.22 feet to an iron pin set; (4) North 08 degrees 28 minutes 57 seconds East for a distance of 82.52 feet to an iron pin set; (5) South 83 degrees 59 minutes 06 seconds East for a distance of 91.94 feet to an iron pin set; (6) North 08 degrees 40 minutes 57 seconds East (passing an iron pin set 530.64 feet) for a total distance of 593.32 feet to a point in the centerline of State Route No. 125; thence with said centerline South 78 degrees 37 minutes 16 seconds East for a distance of 292.37 feet to a point; thence leaving said road with the West line of Lot No. 7 of East Fork Commercial Park the following two (2) courses and distances, (1) South 07 degrees 42 minutes 03 seconds West for a distance of 693.99 feet to a 36' ash tree; South 05 degrees 56 minutes 01 seconds West for a distance of 677.35 feet to the place of beginning.

EXCEPTING Therefrom the following described parcels:

Situated in Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows:

Commencing at an iron pin located at the Southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with South line of Lot No. 8 as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East 449.88 feet to the corner of lands of Edgar Lawson; thence with the lines of said Lawson the following three (3) courses: South 12 degrees 58 minutes 13 seconds West 579.29 feet, North 86 degrees 11 minutes 40 seconds West 462.91 feet to an iron pin found, South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner to lands of The Clermont Christian Assembly, Inc., as recorded in Deed Book 532, page 374, Clermont County Recorder's Office; thence with the North line of said Clermont Christian Assembly, Inc., North 84 degrees 13 minutes 43 seconds West 1330.81 feet to a 5/8" diameter iron pin set at the Point of Beginning of this described real estate; thence from said point of beginning continuing North 84 degrees 13 minutes 43 seconds West 266.49 feet to an existing iron pin corner to lands of Karen L. Simpson, as recorded in Official Record 794, page 877, Clermont County Recorder's Office; thence with the East line of said Simpson and the East line of Elmer Parker, Jr., as recorded in Official Record 1084, page 248 of the Clermont County Recorder's Office, North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike located in the centerline of Back Run Road; thence leaving said road with the South line of lands of Roy L. and Brenda D. Lindsey as recorded in Official Record 1342, page 800, Clermont County Recorder's Office, South 84 degrees 44 minutes 18 seconds East, passing an existing iron pin at 25.00 feet for a total distance of 177.74 feet to a set 5/8" diameter iron pin; thence leaving said line of Lindsey, through grantor's property along a new severance line the following four (4) courses: South 03 degrees 29 minutes 54 seconds West 39.63 feet to a set 5/8" diameter iron pin, North 86 degrees 30 minutes 06 seconds West 12.74 feet to a set 5/8" diameter iron pin, South 64 degrees 19 minutes 28 seconds West 50.00 feet to a set 5/8" diameter iron pin, and South 04 degrees 13 minutes 43 seconds East 384.25 feet to the point of beginning.

Right to access and construct utilities including sanitary sewer, public water, electric, gas cable and telephone located or to be located along Back Run Road through and above described tract, and to retain rights for drainage easements and storm piping through the above tract.

ALSO EXCEPTING

Situated in the State of Ohio, County of Clermont, Township of Monroe, Virginia Military District, situated in Jones M.S. No. 934 and being more particularly described as follows:

Beginning for reference at the intersection of the existing centerline of S.R. 125 with the Easterly line of Jones M.S. No. 934, said point being centerline of survey Station 491+57.52; thence North 75 degrees 49

minutes 28 seconds East 21.76 feet to a point at 9.72 feet left of centerline Station 491+76.98 and being the True Point of Beginning; thence South 09 degrees 04 minutes 08 seconds West 91.68 feet along the Grantor's Easterly line to an iron pin set at 81.75 feet right of centerline Station 491+82.25 (passing an iron pin found at 90.79 feet); thence North 88 degrees 17 minutes 47 seconds West 17.54 feet along the existing Southerly Right-of Way line to an iron pin set 85.00 feet right of centerline Station 491+65.00; thence North 68 degrees 29 minutes 02 seconds West, 157.14 feet along the existing Southerly Right-of-Way line to an iron pin set 60.00 feet right of centerline Station 490+09.88; thence North 72 degrees 43 minutes 43 seconds West 123.24 feet along the existing Southerly Right of Way line to an iron pin found 54.22 feet right of centerline Station 488+91.18; thence North 10 degrees 03 minutes 08 seconds East 59.98 feet along the Grantor's Westerly line to a point 5.32 feet left of centerline Station 488+84.09; thence South 77 degrees 29 minutes 25 seconds East 292.34 feet along the Grantor's Northerly line to the True Point of Beginning.

This description is based on a survey made under the direction and supervision of Steven W. Newell, Professional Surveyor Number 7212 in May, 2001

EXHIBIT B

REPORTS

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**ASSIGNMENT OF LEASES AND RENTS**

This **ASSIGNMENT OF LEASES AND RENTS** dated as of \_\_\_\_\_, 2008 (the "Assignment"), is executed by **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company, whose address is 27777 Franklin Road, Suite 200, Southfield, Michigan 48034 (the "Mortgagor"), to and for the benefit of **LASALLE BANK MIDWEST NATIONAL ASSOCIATION**, a national banking association, whose address is 2600 West Big Beaver Road, Troy, Michigan 48084, its successors and assigns (the "Bank").

**R E C I T A L S:**

A. **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company; **SUN LAKEVIEW LLC**, a Michigan limited liability company; and **SUN TAMPA EAST, LLC**, a Michigan limited liability company (collectively, the "Borrower"), desires to borrow funds and obtain other financial accommodations from the Bank, including, without limitation, a loan evidenced by a promissory note from the Borrower to the Bank, dated \_\_\_\_\_, in the principal amount of TWENTY SEVEN MILLION and 00/100 Dollars (\$27,000,000.00) (as amended, restated or replaced from time to time, the "Note").

B. Mortgagor has granted to the Bank a mortgage (the "Mortgage") covering certain real property situated in the State of Ohio, as more particularly described in Exhibit A attached hereto (the "Property"), as security for the Loan evidenced by the Note.

C. Mortgagor has demised or hereafter will demise the Property or a part thereof by a certain lease or leases for certain terms.

D. The Bank, as a condition for making the Loan secured by the Mortgage, has required an assignment of the leases and the rents, issues and profits derived from the use of the Property and every part thereof, as additional security for the payment of the indebtedness secured by the Mortgage.

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

**A G R E E M E N T S:**

In order to provide additional security for the payment of the principal and interest of the indebtedness secured by the Mortgage, and all other amounts payable by Mortgagor thereunder, and any

and all extensions and renewals thereof, however evidenced, and the performance of the covenants and conditions hereof, Mortgagor hereby covenants and agrees to and with the Bank as follows:

1. Mortgagor does hereby sell, assign, transfer and set over unto the Bank all the rents, profits and income under all leases or occupancy agreements or arrangements, however evidenced or denominated, upon or affecting the Property, as defined in the Mortgage (including any extensions, amendments or renewals thereof), whether such rents, profits and income are due or are to become due, including all such leases in existence or coming into existence during the period this assignment is in effect. This assignment shall run with the land until this assignment is discharged in full and be good and valid as against Mortgagor and those claiming by, under or through Mortgagor, from the date of recording of this assignment. This assignment shall continue to be operative during the foreclosure or any other proceedings taken to enforce the Mortgage. In the event of a foreclosure sale which results in a deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency. This assignment is given as collateral security only and does not and shall not be construed as obligating the Bank to perform any of the covenants or undertakings required to be performed by Mortgagor in any leases.
2. Mortgagor covenants and agrees not to cancel, accept a surrender of, modify or alter (orally or in writing), reduce the rental under or consent to the assignment or subletting of the lessee's interest in, any lease affecting the Property, except in the ordinary course of business and on commercially reasonable terms, or to make any other assignment, pledge or other disposition of such leases, or any of them, or of the rents, issues and profits derived from the use of the Property. Any of the above acts, if done without the written consent of the Bank, shall be null and void.
3. Mortgagor warrants and represents that all leases or copies of leases which have been delivered to the Bank are in full force and effect and there are no defaults existing thereunder, and that Mortgagor has not: (a) executed any prior assignments presently subsisting of any leases or rentals pertaining to the Property, (b) performed any acts or executed any other instruments which might prevent or limit the Bank's operating under any of the terms and conditions of the Mortgage, (c) executed or granted any modification whatever of any lease pertaining to the Property which has not been disclosed to the Bank, or (d) subordinated any lease to the lien of the Mortgage, except on terms acceptable to the Bank.
4. Until the occurrence of an Event of Default under the Mortgage or until the Mortgagor shall default in the performance of any its obligations under this assignment, Mortgagor may receive, collect and enjoy the rents and income from the Property. Upon the occurrence of an Event of Default under the Mortgage or a default by the Mortgagor in the performance of any its obligations under this assignment, the Bank shall be entitled to, at its option, to enter upon the Property, or any part thereof, by its officers, agents, or employees, and: (a) collect the rents and income from the Property as long as an Event of Default under the Mortgage or a default by the Mortgagor in the performance of any its obligations under this assignment exists and during the pendency of any foreclosure proceedings and, if there is a deficiency, during any redemption period, (b) rent or lease the Property or any portion thereof upon such terms and for such time as it may deem best, (c) operate or maintain the Property, (d) maintain proceedings to recover rents or possession of the Property from any tenant or trespasser, and apply the net proceeds of such rent and income, after payment of all proper charges and expenses, to the following purposes: (1) payment of all of the costs and expenses incurred by the Bank in exercising its rights under this paragraph; (2) payment of interest and principal secured by the Mortgage; (3) payment of all other sums secured hereby; (4) payment of expenses of preserving the Property, including taxes and insurance premiums. Notwithstanding the foregoing, the Bank, in its sole discretion, may change the priorities set forth above for the application of the net proceeds of



such rent and income. The Mortgagor hereby authorizes the Bank in general to perform all acts necessary for the operation and maintenance of the Property in the same manner and to the same extent that the Mortgagor might reasonably so act. The Bank shall only be accountable for money actually received by it pursuant to the assignment contained in this paragraph. Such entry and taking possession of the Property, or any part thereof, by the Bank, may be made by actual entry and possession, or by written notice served personally upon or sent by certified mail to the last address of the Mortgagor appearing on the records of the Bank, as the Bank may elect, and no further authorization or notice shall be required. **BORROWER HEREBY WAIVES ANY RIGHT TO NOTICE, OTHER THAN THE NOTICE PROVIDED ABOVE AND WAIVES ANY RIGHT TO ANY HEARING JUDICIAL OR OTHERWISE PRIOR TO THE BANK EXERCISING ITS RIGHTS UNDER THE ASSIGNMENT CONTAINED IN THIS PARAGRAPH.**

5. The Bank and its duly authorized agents shall be entitled to enter the Property for the purpose of delivering any and all such notices and other communications to the tenants and occupiers thereof or to take such other steps as shall be necessary or desirable in the Bank's discretion to exercise its rights hereunder, and the Bank and its agents shall have absolutely no liability to Mortgagor arising therefrom, except for gross negligence or willful misconduct. The Bank shall not, however, be obligated to give any tenant or occupier of the Property any notice by personal delivery and the Bank may, in its sole discretion, deliver all such notices and communications by ordinary first-class U.S. mail, postage prepaid, or otherwise.
6. The Mortgagor irrevocably consents that any lessee or lessees under any leases covering the Property, upon demand and notice from the Bank of Mortgagor's default under the Mortgage or this assignment, shall pay all rents, issues and profits under such leases to the Bank without any obligation upon any such lessee or lessees for the determination of the actual existence of any default.
7. In the event that Mortgagor obstructs the Bank in its efforts to collect the rents and income from the Property, or after requested by the Bank, unreasonably refuses, fails or neglects to assist the Bank in collecting such rent and income, the Bank shall be entitled to the appointment of a receiver of the Property and of the income, rents and profits therefrom, with such powers as the court making such appointment may confer.
8. The Mortgagor covenants and agrees to perform and discharge each and every obligation, covenant, and agreement required to be performed by the landlord under all leases covering the Property, and should the Mortgagor fail so to do, then the Bank, but without obligation to do so, and without releasing the Mortgagor from any obligation hereof, may make or do the same in such manner and to such extent as the Bank may deem necessary to protect the security hereof. Nothing herein contained shall be construed to bind the Bank to perform any of the terms and provisions contained in the leases, or otherwise to impose any obligation upon the Bank. Any default by the Mortgagor in the performance of any of the obligations contained in this paragraph, which is not cured within 30 days after notice thereof from the Bank to Mortgagor, or, if the default is of a kind which cannot be cured within 30 days, if Mortgagor fails to undertake the cure of such default within 30 days after notice thereof from the Bank to Mortgagor and thereafter diligently pursue such cure and complete it within a reasonable time, shall constitute and be deemed to be a default under the terms of the Mortgage and this assignment entitling the Bank to exercise the rights and remedies provided by the Mortgage and this assignment.
9. The Bank shall at no time have any obligation whatever to attempt to collect rent from any tenant or occupier of the Property notwithstanding that such tenants and occupiers may not be paying rent to

either Mortgagor or to the Bank. Further, the Bank shall at no time have any obligation whatever to enforce any other obligations owed by tenants or occupiers of the Property to Mortgagor. No action taken by the Bank under the Mortgage or this assignment shall put the Bank in the position of a "mortgagee in possession."

10. Mortgagor shall at no time collect advance rent under any lease upon, affecting or pertaining to the Property or any part thereof in excess of one month (other than as a security deposit) and the Bank shall not be bound in any respect by any rent prepayment made or received in violation of the terms hereof.
11. The Bank shall have the right to assign the Mortgagor's right, title and interest in all leases covering the Property to any subsequent holder of the Mortgage or this assignment, and to assign the same to any person acquiring title to the Property through foreclosure or otherwise.
12. The rights and remedies of the Bank under this instrument are cumulative and are not in lieu of but are in addition to any other rights or remedies which the Bank shall have under the Mortgage, this assignment or under any loan agreement between the parties hereto or under applicable law.
13. All covenants and agreements contained herein shall apply to and bind the heirs, personal representatives, successors and assigns of the respective parties.

*[SIGNATURE PAGE FOLLOWS]*

**MORTGAGOR:**

**APPLE ORCHARD, L.L.C.**, a Michigan limited liability company

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership  
Its: Sole Member

By: Sun Communities, Inc., a Maryland corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Notary Acknowledgement

The foregoing instrument was acknowledged before me in \_\_\_\_\_ County, Michigan, on \_\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Sun Communities, Inc., a Maryland corporation, which is the general partner of Sun Communities Operating Limited Partnership, a Michigan limited partnership, which is the sole member of **APPLE ORCHARD, L.L.C.**, a Michigan limited liability company, on behalf of the company.

Notary's Signature: \_\_\_\_\_  
Notary's Name: \_\_\_\_\_  
Notary Public, State of Michigan, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_  
Acting in the County of: \_\_\_\_\_

DRAFTED BY:

Daniel C. Watson, Esq.  
Dykema Gossett PLLC  
400 Renaissance Center  
Detroit, Michigan 48243

WHEN RECORDED RETURN TO:

LaSalle Bank Midwest N.A.  
c/o LaSalle Bank N.A.  
Attn: Rita Gomez MC74-00  
4747 W. Irving Road  
Chicago, Illinois 60641

LEGAL DESCRIPTION OF REAL ESTATE

Land situated in the County of Clermont, Township of Miami, State of Ohio, is described as follows:

Parcel 1

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Beginning at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West 29.71 feet from a 1 inch iron pipe at the Northwest corner of lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 second East 265.47 feet to a 1/2 inch iron pin; thence, with the line of H. Wayne Klekamp, Inc. and fenced line of Bertie Trester, South 06 degrees 36 minutes 08 seconds West 888.99 feet to a 5/8 inch iron pin; thence, with the North line of By-Pass StateRoute 28, South 71 degrees 27 minutes 11 seconds West 452.65 feet to a 5/8 inch iron pin; thence, continuing with said North line of said By-Pass State Route No. 28, South 67 degrees 31 minutes 49 seconds West, 434.44 feet to a 5/8 inch iron pin; thence with the fenced line of B & R Partnership, North 13 degrees 49 minutes 16 seconds East 609.49 feet to a 3/4 inch iron pin; thence, with the fenced line of Paul and Janet Bilton, North 81 degrees 00 minutes 48 seconds East 180.74 feet to a 3/4 inch iron pin; thence, with the fenced line of Mulberry Wesleyan Church, Inc., North 54 degrees 54 minutes 10 seconds East 359.78 feet to a 1 inch pipe; thence continuing with said fenced line of Mulberry Wesleyan Church, Inc. North 66 degrees 31 minutes 42 seconds East 151.50 feet to a 3/8 inch iron pin, thence, continuing with said fenced line of Mulberry Wesleyan Church, Inc., North 18 degrees 31 minutes 24 seconds West 58.02 feet to a 1 inch pipe, thence, with said line of Mulberry Wesleyan Church, Inc., and Harry Kapourales, North 75 degrees 09 minutes 36 seconds East, 170.08 feet to a 1/2 inch iron pin; thence, continuing with said line of said Harry Kapourales and passing a 5/8 inch iron pin at 232.09 feet, North 13 degrees 17 minutes 13 seconds West 262.09 feet to State Route No. 28; thence with said State Route No. 28, North 77 degrees 12 minutes 47 seconds East 94.23 feet to the beginning. The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county.

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835

Parcel 2

Situated in the State of Ohio, Clermont County, Miami Township and in Dix's Military Survey No. 992 of the Virginia Military District and being more particularly described as follows: Commencing at a point in State Route No. 28, said point is North 13 degrees 20 minutes 32 seconds West, 29.71 feet from a 1 inch iron pipe at the Northwest corner of Lot No. 42 of the Village of Mulberry as platted and recorded in Plat Cabinet 5, page 148 of the Clermont County, Ohio Deed Records; thence with the line of said Lot No. 42 and Tailwind Properties, Inc., South 13 degrees 20 minutes 32 seconds East 265.47 feet to a 1/2 iron pin; thence, with the line of H. Wayne Klekamp, Inc., fenced line of Bertie Trester and crossing the State Route No. 28 by-pass, South 06 degrees 36 minutes 08 seconds West 1120.97 feet to a 5/8 inch iron pin and the beginning; thence, with the fenced line of Rosa Trester and West line of Lakeside Park Subdivision, South 06 degrees 36 minutes 08 seconds West 656.69 feet to a 1/2 inch iron pin; thence with the line of Jerome L. Decker North 72 degrees 10 minutes 36 seconds West, 196.61 feet to a 5/8 inch iron pin; thence continuing with said line of Jerome L. Decker, South 37 degrees 05 minutes 47

seconds West 349.43 feet to a 1/2 inch iron pin; thence with the line of Betty Swafford and fenced line of Donald Gordon, North 73 degrees 48 minutes 40 seconds West 591.53 feet to a 1/2 inch iron pin; thence, continuing with said fenced line of Donald Gordon and fenced line of Elsie Walker, North 35 degrees 18 minutes 04 seconds East 357.85 feet to a 5/8 inch iron pin; thence, continuing with said fenced line of Elsie Walker, North 72 degrees 19 minutes 17 seconds West, 50.08 feet to a 1/2 inch iron pin; thence with the fenced line of the Board of County Commissioners, North 13 degrees 49 minutes 16 seconds East 163.75 feet to a 5/8 inch iron pin; thence with the South line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 583.81 feet to a 5/8 inch iron pin; thence, continuing with said South line of By-Pass State Route No. 28, South 13 degrees 21 minutes 01 seconds East 41.17 feet to a 5/8 inch iron pin; thence, still continuing with the south line of By-Pass State Route No. 28, North 71 degrees 27 minutes 11 seconds East 295.68 feet to the beginning.

The bearings in the above description are based on the East line of B & R Partnership's property as recorded in Official Record Book 561, page 668 in the recorders office of said county

The above description is taken from and in accordance with a survey and plat dated August 10, 1998 by Robert Joseph Shannon, Ohio Reg. No. 7835.

Parcel 3

Situated in Pierson's Military Survey No. 928 and Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows: Beginning at an iron pin set at the southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with the South line of Lot No. 8, as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East for a distance of 449.88 feet to an iron pin set corner to lands of Edgar Lawson; thence with the lines of said Lawson the following three courses and distances, (1) South 12 degrees 58 minutes 13 seconds West for a distance of 579.29 feet to an iron pin set; (2) North 86 degrees 11 minutes 40 seconds West for a distance of 462.91 feet to an iron pin set; (3) South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner of lands of the Clermont Christian Assembly, Inc., thence with the north line of The Clermont Christian Assembly, Inc. North 84 degrees 13 minutes 43 seconds West for a distance of 1597.30 feet to an existing iron pin corner to lands of Martha and Karen Simpson; thence with the East line of said Simpson and the East line of Elmer and Marjorie Parker North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike in the centerline of Back Run Road; thence leaving said road with the South line of lands of Steven and Karen Seipelt South 84 degrees 44 minutes 18 seconds East (passing an iron pin set at 25.00 feet) for a total distance of 637.57 feet to an existing iron pipe corner to said Seipelt; thence with the Easterly lines of said Seipelt and the Easterly line of Jessie and Judith Cowans the following two courses and distances (1) North 06 degrees 42 minutes 55 seconds West for a distance of 26.05 feet to an existing iron pipe at an angle point in Seipelt's Easterly line (2) North 30 degrees 41 minutes 42 seconds East for a distance of 661.30 feet to an existing iron pipe corner to said Cowans; thence with the North line of Cowans North 84 degrees 35 minutes 35 seconds West for a distance of 594.03 feet to an existing iron pipe corner to lands of Mamie Kemper; thence with the East line of said Kemper and partially with the East line of Lands of Terry and Beverly Hoskins North 12 degrees 11 minutes 18 seconds East for a distance of 891.21 feet to an iron pin set corner to lands of the Bethel Jehovah's Witnesses; thence with the lines of the Bethel Jehovah's Witnesses the following three (3) courses and distances, (1) South 86 degrees 24 minutes 00 seconds East for a distance of 236.94 feet to an iron pin set; (2) North 03 degrees 36 minutes 00 seconds East for a distance of 66.00 feet to an iron pin set; (3) South 86 degrees 24 minutes 00 seconds East for a distance of 33.00 feet to an iron pin set corner to lands of Dale and Irene DeWeese; thence with the Southerly line of said DeWeese South 61 degrees 24 minutes 00 seconds East for a distance of 161.15 feet to an existing iron pin corner of lands of Clermont Metropolitan Housing Authority; thence with the lines of said Clermont Metropolitan Housing Authority the following six (6)

courses and distances, (1) South 35 degrees 56 minutes 13 seconds East for a distance of 183.96 feet to an iron pin set; (2) South 61 degrees 48 minutes 54 seconds East for a distance of 157.41 feet to a wood post; (3) North 77 degrees 59 minutes 07 seconds East for a distance of 131.22 feet to an iron pin set; (4) North 08 degrees 28 minutes 57 seconds East for a distance of 82.52 feet to an iron pin set; (5) South 83 degrees 59 minutes 06 seconds East for a distance of 91.94 feet to an iron pin set; (6) North 08 degrees 40 minutes 57 seconds East (passing an iron pin set 530.64 feet) for a total distance of 593.32 feet to a point in the centerline of State Route No. 125; thence with said centerline South 78 degrees 37 minutes 16 seconds East for a distance of 292.37 feet to a point; thence leaving said road with the West line of Lot No. 7 of East Fork Commercial Park the following two (2) courses and distances, (1) South 07 degrees 42 minutes 03 seconds West for a distance of 693.99 feet to a 36' ash tree; South 05 degrees 56 minutes 01 seconds West for a distance of 677.35 feet to the place of beginning.

EXCEPTING Therefrom the following described parcels:

Situated in Jones' Military Survey No. 934, Monroe Township, Clermont County, Ohio and being more particularly described as follows:

Commencing at an iron pin located at the Southwest corner of Lot No. 7 of East Fork Commercial Park as recorded in Plat Cabinet 4, page 222 of the Clermont County, Ohio Subdivision Plat Records; thence with the South line of said Lot No. 7 and partially with South line of Lot No. 8 as generally marked by a fence, South 85 degrees 34 minutes 15 seconds East 449.88 feet to the corner of lands of Edgar Lawson; thence with the lines of said Lawson the following three (3) courses: South 12 degrees 58 minutes 13 seconds West 579.29 feet, North 86 degrees 11 minutes 40 seconds West 462.91 feet to an iron pin found, South 06 degrees 51 minutes 00 seconds West for a distance of 507.16 feet to an existing iron pin corner to lands of The Clermont Christian Assembly, Inc., as recorded in Deed Book 532, page 374, Clermont County Recorder's Office; thence with the North line of said Clermont Christian Assembly, Inc., North 84 degrees 13 minutes 43 seconds West 1330.81 feet to a 5/8" diameter iron pin set at the Point of Beginning of this described real estate; thence from said point of beginning continuing North 84 degrees 13 minutes 43 seconds West 266.49 feet to an existing iron pin corner to lands of Karen L. Simpson, as recorded in Official Record 794, page 877, Clermont County Recorder's Office; thence with the East line of said Simpson and the East line of Elmer Parker, Jr., as recorded in Official Record 1084, page 248 of the Clermont County Recorder's Office, North 15 degrees 29 minutes 12 seconds East for a distance of 449.46 feet to an existing spike located in the centerline of Back Run Road; thence leaving said road with the South line of lands of Roy L. and Brenda D. Lindsey as recorded in Official Record 1342, page 800, Clermont County Recorder's Office, South 84 degrees 44 minutes 18 seconds East, passing an existing iron pin at 25.00 feet for a total distance of 177.74 feet to a set 5/8" diameter iron pin; thence leaving said line of Lindsey, through grantor's property along a new severance line the following four (4) courses: South 03 degrees 29 minutes 54 seconds West 39.63 feet to a set 5/8" diameter iron pin, North 86 degrees 30 minutes 06 seconds West 12.74 feet to a set 5/8" diameter iron pin, South 64 degrees 19 minutes 28 seconds West 50.00 feet to a set 5/8" diameter iron pin, and South 04 degrees 13 minutes 43 seconds East 384.25 feet to the point of beginning.

Right to access and construct utilities including sanitary sewer, public water, electric, gas cable and telephone located or to be located along Back Run Road through and above described tract, and to retain rights for drainage easements and storm piping through the above tract.

ALSO EXCEPTING

Situated in the State of Ohio, County of Clermont, Township of Monroe, Virginia Military District, situated in Jones M.S. No. 934 and being more particularly described as follows:

Beginning for reference at the intersection of the existing centerline of S.R. 125 with the Easterly line of Jones M.S. No. 934, said point being centerline of survey Station 491+57.52; thence North 75 degrees 49

minutes 28 seconds East 21.76 feet to a point at 9.72 feet left of centerline Station 491+76.98 and being the True Point of Beginning; thence South 09 degrees 04 minutes 08 seconds West 91.68 feet along the Grantor's Easterly line to an iron pin set at 81.75 feet right of centerline Station 491+82.25 (passing an iron pin found at 90.79 feet); thence North 88 degrees 17 minutes 47 seconds West 17.54 feet along the existing Southerly Right-of Way line to an iron pin set 85.00 feet right of centerline Station 491+65.00; thence North 68 degrees 29 minutes 02 seconds West, 157.14 feet along the existing Southerly Right-of-Way line to an iron pin set 60.00 feet right of centerline Station 490+09.88; thence North 72 degrees 43 minutes 43 seconds West 123.24 feet along the existing Southerly Right of Way line to an iron pin found 54.22 feet right of centerline Station 488+91.18; thence North 10 degrees 03 minutes 08 seconds East 59.98 feet along the Grantor's Westerly line to a point 5.32 feet left of centerline Station 488+84.09; thence South 77 degrees 29 minutes 25 seconds East 292.34 feet along the Grantor's Northerly line to the True Point of Beginning.

This description is based on a survey made under the direction and supervision of Steven W. Newell, Professional Surveyor Number 7212 in May, 2001