

IN THE CIRCUIT COURT OF THE 17TH  
JUDICIAL CIRCUIT IN AND FOR  
BROWARD COUNTY, FLORIDA

CASE NO. 12-013597 (18)

COMERICA BANK, a Texas banking  
association,

Plaintiff,

vs.

TROPIC RANCH, INC. a Florida  
corporation, H.K. HOTEL  
MANAGEMENT, LLC, a Michigan limited  
liability company, HANNA KARCHO-  
POLSELLI, individually, BROWARD  
COUNTY, FLORIDA, a political  
subdivision of the State of Florida, and  
KENNETH A. FRANK, individually,

Defendants.

---

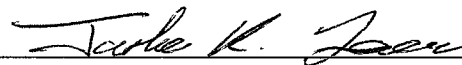
**NOTICE OF FILING ORIGINAL AMENDED AFFIDAVIT OF ALAN S. BLANKSTEIN**

Comerica Bank hereby files the original amended Affidavit of Alan S. Blankstein in  
support of its Motion for Summary Final Judgment of Foreclosure.

Dated: January 30, 2013

HOLLAND & KNIGHT LLP  
Counsel for Comerica Bank  
515 East Las Olas Boulevard, Suite 1200  
Fort Lauderdale, FL 33301  
954-525-1000 (telephone)  
954-463-2030 (fax)

By: \_\_\_\_\_

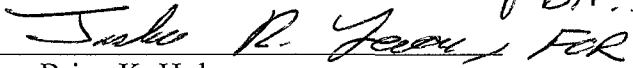


Brian K. Hole  
Florida Bar No. 0019968  
brian.hole@hklaw.com  
Joshua R. Levenson  
Florida Bar No. 0056208  
joshua.levenson@hklaw.com

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail or email this 30<sup>th</sup> day of January, 2013 to all parties on the attached Service List in the authorized manner specified.

HOLLAND & KNIGHT LLP

By:  *FBN: 56208*  
Brian K. Hole  
Florida Bar No. 0019968

**SERVICE LIST**

Michael S. Tobin, Esq.  
Orlando R. Cicilia, Esq.  
Rothman & Tobin, P.A.  
11900 Biscayne Boulevard, Suite 740  
Miami, FL 33181  
PH (305) 895-3225  
FX (305) 895-7175  
Email: [mtobin@rothmanandtobin.com](mailto:mtobin@rothmanandtobin.com); [ocicilia@rothmanandtobin.com](mailto:ocicilia@rothmanandtobin.com);  
[bfortun@rothmanandtobin.com](mailto:bfortun@rothmanandtobin.com)  
*Counsel for Tropic Ranches, Inc., H.K. Hotel Management, LLC, and Hanna Karcho-Polselli*  
**[Via Email]**

Maya A. Moore, Esq.  
Joni Armstrong Coffey, Esq.  
County Attorney for Broward County  
Office of the County Attorney  
Governmental Center, Suite 423  
115 South Andrews Avenue  
Fort Lauderdale, FL 33301  
Phone: (954) 357-7600  
Fax: (954) 357-7641  
Email: [mmoore@broward.org](mailto:mmoore@broward.org)  
*Counsel for Broward County*  
**[Via Email]**

Kenneth A. Frank, *Pro Se*  
2310 East Atlantic Boulevard, Suite 206  
Pompano Beach, FL 33062  
E-mail: [kenknaassociates@gmail.com](mailto:kenknaassociates@gmail.com)  
**[Via U.S. Mail and Email]**

IN THE CIRCUIT COURT OF THE 17TH  
JUDICIAL CIRCUIT IN AND FOR  
BROWARD COUNTY, FLORIDA

CASE NO. 12-013597 (18)

COMERICA BANK, a Texas banking  
association,

Plaintiff,

vs.

TROPIC RANCH, INC. a Florida  
corporation, H.K. HOTEL  
MANAGEMENT, LLC, a Michigan limited  
liability company, HANNA KARCHO-  
POLSELLI, individually, BROWARD  
COUNTY, FLORIDA, a political  
subdivision of the State of Florida, and  
KENNETH A. FRANK, individually,

Defendants.

\_\_\_\_\_ /

**AMENDED AFFIDAVIT OF ALAN S. BLANKSTEIN**

STATE OF FLORIDA                    )  
COUNTY OF PALM BEACH         )

**BEFORE ME**, the undersigned authority, personally appeared **ALAN S. BLANKSTEIN**, who, being first duly sworn, deposes and states as follows:

1. This Affidavit is submitted in furtherance of Plaintiff Comerica Bank's Motion for Summary Final Judgment of Foreclosure.

2. I am Vice President, Special Assets Group for the Plaintiff, Comerica Bank ("Comerica") and am authorized by Comerica to make the statements contained in this affidavit. Except as otherwise explicitly stated in this affidavit, the statements made in this affidavit are based on my personal knowledge and my review of Comerica's business records as described in paragraph 3 of this affidavit.

3. In my capacity as Vice President of Comerica, I am one of Comerica's employees responsible for managing certain loans to H.K. Hotel Management, LLC and Hanna Karcho-Polselli, which are the subject of this action (the "Loans"). I have access to certain of Comerica's records, including Comerica's records relating to the Loans. The loan records for the Borrower, including computerized records indicating the sums loaned to, and payments made by, the Borrower are maintained by Comerica in the course of its regularly conducted business activities and are made at or near the time of the occurrence of the events which they reflect, by or from information transmitted by a person with knowledge. It is Comerica's regular practice to keep such records in the ordinary course of a regularly conducted business activity.

4. Comerica has retained the law firm of Holland & Knight LLP to represent it in this matter and is obligated to pay its counsel a reasonable fee.

5. Comerica Bank commenced this action to foreclose a Continuing Collateral Mortgage executed by Tropic Ranch, Inc. and dated December 6, 2006 (the "Mortgage"), which secures a loan made to H.K. Hotel Management, LLC in the original principal amount of \$3,185,000.00 and a loan made to Hanna Karcho-Polselli in the original principal amount of \$1,000,000.00. A copy of the Mortgage is attached hereto as **Exhibit A**. The Mortgage encumbers real and personal property situated in the County of Broward, City of Lauderdale-By-The-Sea, State of Florida, with the legal description set forth in **Exhibit B** (the "Mortgaged Property"). The Mortgage reflects that it was recorded in the Public Records of Broward County on December 7, 2006 in Book 43229 at Page 1947.

6. In connection with the Loans, H.K. Hotel Management, LLC executed in favor of Comerica a Variable Rate - Installment Note dated December 6, 2006 in the original principal amount of \$3,185,000.00, and Hanna Karcho-Polselli executed a Variable Rate - Installment Note dated December 6, 2006 in the original principal amount of \$1,000,000.00 (collectively, the

“Notes”). Comerica is the current owner of the Notes, copies of which are attached hereto as **Composite Exhibit C**.

7. Comerica is in possession of the original Notes.

8. On June 9, 2010, Tropic Ranch, Inc., H.K. Hotel Management, LLC and Hanna Karcho-Polselli entered into a Forbearance Agreement with Comerica, as amended on September 3, 2010 and again on May 5, 2011 (collectively, the “Forbearance Agreement”). A copy of the Forbearance Agreement is attached hereto as **Composite Exhibit D**.

9. Tropic Ranch, Inc., H.K. Hotel Management, LLC and Hanna Karcho-Polselli are currently in default of their obligations under the Notes, Mortgage and Forbearance Agreement (collectively “Loan Documents”) for the following reasons, among others:

a) Failure to pay Comerica the sum of \$21,690.84 to reimburse Comerica for a portion of the protective advance for 2009 and 2010 real property taxes, which payment was due by July 31, 2011 under Section 6 of the May 5, 2011 amendment to the Forbearance Agreement;

b) Failure to provide to Comerica by May 31, 2011 evidence that the conditions of Section 13 of the Forbearance Agreement (regarding discharge of certain liens) have been met;

c) Failure to provide Comerica with evidence of a broker listing as set forth in Section 18 of the Forbearance Agreement;

d) Failure to pledge to Comerica a first priority security interest in certain bank accounts by April 15, 2011 as required under Section 26 of the Forbearance Agreement; and

e) Failure to deliver to Comerica by May 16, 2011 a fully executed personal financial statement for Remo Polselli, as described in Section 27 of the Forbearance Agreement.

11. Accordingly, Comerica exercised its rights under the Loan Documents and declared the entire outstanding balance of the Notes to be immediately due and payable, together with the costs of this action and attorneys' fees.

12. Pursuant to the Loan Documents, as of January 23, 2013 a total of \$3,918,177.16 is due and owing to Comerica, as follows:

**H.K. Note**

Principal	\$2,939,683.18
Past due and accrued interest	\$ 220,288.43
Late fees	\$ 300.21
<b>TOTAL DUE ON H.K. NOTE AS OF JANUARY 23, 2013</b>	<b>\$3,160,271.82</b>
Per diem interest beginning January 24, 2013	\$ 362.43

**Karcho-Polselli Note**

Principal	\$ 698,914.13
Past due and accrued interest	\$ 58,919.41
Late fees	\$ 71.80
<b>TOTAL DUE ON KARCHO-POLSELLI NOTE AS OF JANUARY 23, 2013</b>	<b>\$ 757,905.34</b>
Per diem interest beginning January 24, 2013	\$ 86.17

<b>GRAND TOTAL</b>	<b><u>\$3,918,177.16</u></b>
--------------------	------------------------------

A true and correct copy of the account analysis setting forth these figures is attached hereto as **Exhibit E.**

**(remainder of page intentionally left blank)**

13. To date, Comerica has not received any of the foregoing amounts.

Further Affiant Sayeth Naught

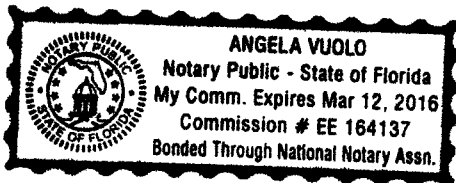
COMERICA BANK

  
ALAN S. BLANKSTEIN

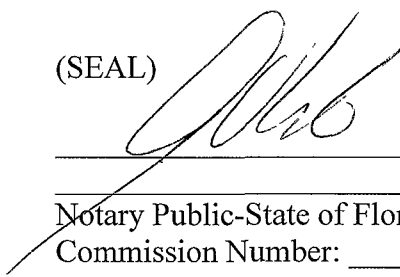
Vice President, Special Assets Group

STATE OF FLORIDA                    )  
COUNTY OF PALM BEACH        )

The foregoing instrument was acknowledged before me this 29 day of January, 2013, by ALAN S. BLANKSTEIN, Vice President, Special Assets Group of Comerica Bank, a Texas banking association, on behalf of the association, who is personally known to me or has produced \_\_\_\_\_ as identification.



(SEAL)

  
\_\_\_\_\_  
Notary Public-State of Florida  
Commission Number: \_\_\_\_\_

#11768518\_v5

DRAFTED BY Erin M Downey Bodman LLP 6 <sup>th</sup> Floor at Ford Field 1901 St. Antoine Street Detroit, Michigan 48226 (313) 259-7777	WHEN RECORDED RETURN TO  Bodman LLP 6 <sup>th</sup> Floor at Ford Field 1901 St. Antoine Street Detroit, Michigan 48226 Attention: Banking Paralegals (313) 259-7777
----------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

# THIS IS NOT AN CONTINUING COLLATERAL MORTGAGE (THIS IS A FUTURE ADVANCE MORTGAGE)

*Notwithstanding the principal amount of the Indebtedness (as hereinafter defined) secured by this Mortgage, recovery of principal under this Mortgage shall be limited to \$4,185,000. Therefore, intangible tax in the amount of \$8,370.00 and documentary stamp tax in the amount of \$14,647.50 are being paid upon recordation of this Mortgage.*

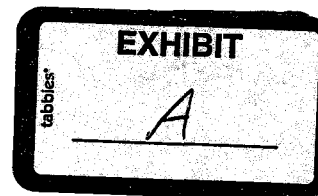
This Continuing Collateral Mortgage ("Mortgage") is made as of December \_\_, 2006, by Tropic Ranch, Inc., a Florida corporation (individually and collectively if more than one party "Mortgagor"), whose address is 30900 Telegraph Road, Bingham Farms, Michigan 48025 to COMERICA BANK ("Mortgagee"), located at 39200 Six Mile Road, Livonia, Michigan 48152, Attention: Commercial Loan Documentation, Mail Code 7578. As security for the purposes stated in this Mortgage, Mortgagor mortgages, warrants, and assigns to Mortgagee, its successors and assigns, the real property in the County of Broward, State of Florida, legally described as

See Attached Exhibit "A"

together with (a) all related easements, hereditaments, appurtenances, rights, licenses and privileges, (b) all buildings and improvements now or later situated under, upon or over any of the above described land, (c) all the rents, issues, profits, revenues, accounts and general intangibles arising from the above described land, or relating to any business conducted by Mortgagor on it, under present or future leases, licenses or otherwise, (d) all machinery, equipment, goods, fixtures, and articles of personal property of every kind and nature (other than Household Goods, as defined by 12 CFR 227.12, as amended from time to time, and other than consumer goods, as defined in the Uniform Commercial Code, unless such goods were purchased with the proceeds of any loan specifically referenced as being secured by this Mortgage), owned by Mortgagor and/or Borrower (as hereinafter defined) now or later located

Detroit\_717419\_2

18





upon the above described land and useable in connection with any present or future operation on the land (individually and collectively the "equipment") including, without limit, all lighting, heating, cooling, ventilating, air-conditioning, incinerating, refrigerating, plumbing, sprinkling, communicating and electrical systems, and all general intangibles, including without limit software, acquired or used in connection therewith. It is agreed that all equipment shall for the purposes of this Mortgage, unless Mortgagee shall otherwise elect, be deemed conclusively to be real estate and mortgaged under this Mortgage, (e) all "as-extracted collateral"; and (f) all awards or payments, and interest on them, made with respect to the Premises as a result of (i) any eminent domain proceeding, (ii) any street grade alteration, (iii) any loss of or damage to any building or other improvement, (iv) any other injury to or decrease in the value of the Premises, (v) any refund due on account of the payment of real estate taxes, assessments or other charges levied against the Premises or (vi) any refund of utility deposits or right to any tenant deposit (all of the above individually and collectively the "Premises"). Unless otherwise indicated, a reference to the "Premises" means all and/or any part of the Premises

This Mortgage is made to secure when due, whether by stated maturity, demand, acceleration or otherwise, all existing and future indebtedness ("Indebtedness") to Mortgagee of Hanna Karcho-Polselli and/or H.K. Hotel Management, LLC (individually and collectively, the "Borrower") and/or Mortgagor, including without limit payment of Four Million One Hundred Eighty Five Thousand Dollars (\$4,185,000) as evidenced by (i) that certain Variable Rate Installment Note dated as of the date hereof made in the principal amount of Three Million One Hundred Eighty Five Thousand Dollars (\$3,185,000) by H.K. Hotel Management, LLC in favor of Mortgagee and (ii) that certain Variable Rate Installment Note dated as of the date hereof made in the principal amount of One Million Dollars (\$1,000,000) by Hanna Karcho-Polselli in favor of Mortgagee (as each may be amended, restated or replaced from time to time, a "Note" and collectively, the "Notes"). Indebtedness includes, without limit, any and all obligations or liabilities of whatever amount of Borrower and/or Mortgagor to Mortgagee, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, known or unknown; any and all indebtedness, obligations or liabilities for which Borrower and/or Mortgagor would otherwise be liable to Mortgagee were it not for the invalidity, irregularity or unenforceability of them by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason; any and all amendments, modifications, renewals and/or extensions of any of the above, all costs incurred by Mortgagee in establishing, determining, continuing, or defending the validity or priority of its lien or security interest, or to protect the value of the Premises, or for any appraisal, environmental audit, title examination or title insurance policy relating to the Premises, or in pursuing its rights and remedies under this Mortgage or under any other agreement between Mortgagee and Borrower and/or Mortgagor; all reasonable costs incurred by Mortgagee in connection with any suit or claim involving or against Mortgagee in any way related to the Premises, the Indebtedness or this Mortgage; and all costs of collecting Indebtedness, all of the above costs including, without limit, attorney fees incurred by Mortgagee. Mortgagor agrees to pay Mortgagee, upon demand, all costs incurred by Mortgagee which are Indebtedness, and until paid all costs shall bear interest from the time incurred at the highest per annum rate applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by law. Any reference in this Mortgage to attorney fees shall be deemed a reference to all reasonable fees, charges, costs and expenses of both in-house and outside counsel and paralegals, whether or not a suit or action is instituted, and to court costs if a suit or action is instituted, and whether attorney fees or court costs are incurred at the trial court level, on appeal,

in a bankruptcy, administrative or probate proceeding or otherwise. Notwithstanding the foregoing, this Mortgage shall not secure that part of the Indebtedness, if any, which constitutes a consumer loan, other than a consumer loan made at the same time as this Mortgage and specifically referenced as being secured by this Mortgage (and all extensions, renewals, modifications or replacements thereof).

Future Advances This Mortgage is given to secure not only the existing indebtedness of \$4,185,000 of the Mortgagor to the Mortgagee evidenced by the Note(s) secured hereby, but also such future advances up to an additional \$8,370,000 as are made within 20 years from date hereof, plus interest thereon, and any disbursements made by Mortgagee for the payment of taxes, insurance or other liens on the property encumbered by this Mortgage, with interest on such disbursements, which advances shall be secured hereby to the same extent as if such future advances were made this date. The total amount of indebtedness secured hereby may increase or decrease from time to time. The provisions of this paragraph shall not be construed to imply any obligation on Mortgagee to make any future advances, it being the intention of the parties that any future advances shall be solely at the discretion and option of the Mortgagee. Any reference to "Note" in this Mortgage shall be construed to reference any future advances made pursuant to this paragraph.

Mortgagor, on a continuing basis, warrants, covenants and agrees to and with Mortgagee, which covenants, warranties and agreements, to the extent permitted by law, shall be deemed to run with the land, as follows:

1 Mortgagor will pay to Mortgagee all Indebtedness according to the terms of the relevant instruments evidencing it, and Mortgagor agrees that this Mortgage is a continuing mortgage securing the payment of the Indebtedness.

2 Mortgagor has good and indefeasible title to the entire Premises in fee simple and with full power to sell, mortgage and convey it, the Premises are free of all easements, restrictions, liens, leases and encumbrances whether now existing or later created, except those matters listed on attached Exhibit "B" (if any) to which this Mortgage is expressly subject, and Mortgagor will warrant and defend the Premises against all other claims. Mortgagee shall have the right, at its option and at such times as it, in its sole discretion deems necessary, to take whatever action it may deem necessary to defend or uphold the lien of this Mortgage or otherwise enforce any of its rights under this Mortgage or any obligation secured by this Mortgage including, without limit, the right to institute appropriate legal proceedings for these purposes. With respect to the right, title, or lien of any person or entity which is superior to the lien of this Mortgage, Mortgagee has the right, but not the obligation, to acquire and/or pay off the holder of such right, title, or lien and add the amount so paid to the Indebtedness.

3 Mortgagor shall not mortgage or pledge the Premises as security for any other indebtedness or obligations. Mortgagor shall pay when due, and before any interest, collection fees or penalties accrue or default occurs, all payments required under any mortgages on the Premises, and all taxes, assessments, and other charges and impositions levied, assessed or existing with respect to (i) the Premises or (ii) the execution, delivery or recordation of this Mortgage or any note or other instrument evidencing or securing repayment of the Indebtedness or the interest of Mortgagee in the Premises, and will deliver to Mortgagee without demand official receipts

showing these payments. If Mortgagor fails to pay these mortgage payments, taxes, assessments, other charges or impositions when due, or if Mortgagor fails to pay all interest, collection fees and penalties accrued on them, Mortgagee, at its sole option, may (but is not obligated to) pay them and the monies paid shall be added to the Indebtedness. Mortgagor shall pay (before the same become liens or encumbrances against the Premises) any and all obligations or liabilities for repairs or improvements to the Premises or for any other goods, services, or utilities furnished to the Premises. At the sole option of Mortgagee (which option may only be exercised following the occurrence of an Event of Default), Mortgagor shall pay to Mortgagee on the first day of each month a pro rata portion of all taxes, assessments, liens, mortgages, and other charges levied, assessed or existing on the Premises in an amount sufficient to pay them when due, plus payments (based on single item or aggregate analysis, as determined by Mortgagee under applicable law) sufficient to maintain an additional balance of not more than one-sixth of that amount, all as estimated by Mortgagee. In the event that sufficient funds have been deposited with Mortgagee to cover the amount of these taxes, assessments, liens, mortgages, and other charges when they become due and payable, Mortgagee shall pay them. In the event that sufficient funds have not been deposited to cover the amount of these taxes, assessments, liens, mortgages and other charges at least fifteen (15) days prior to the time when they become due and payable, Mortgagor shall immediately upon request by Mortgagee pay the amount of the deficiency to Mortgagee. Mortgagee shall not be required to keep in a separate account or to pay Mortgagor any interest or earnings whatever on the funds held by Mortgagee for the payment of taxes, assessments, liens, mortgages, or other charges pursuant to this paragraph or for the payment of insurance premiums under paragraph (4) below, or on any other funds deposited with Mortgagee in connection with this Mortgage. If an Event of Default occurs under this Mortgage, any funds then remaining on deposit with Mortgagee may be applied against the Indebtedness immediately upon or at any time after the Event of Default occurs, and without notice to Mortgagor. No lienholder junior to this Mortgage may exercise any rights with respect to the Premises, and all rents and other proceeds from the Premises shall be held in trust by the junior lienholder as the property of Mortgagee, until satisfaction in full of the Indebtedness. Nothing in this paragraph shall be considered a consent by Mortgagee to any lien, mortgage or encumbrance on the Premises unless set forth on attached Exhibit "B", if any.

4 Mortgagor shall keep the buildings and all other improvements now or later existing on the Premises constantly insured for the benefit of Mortgagee against fire and other hazards and risks, including without limit vandalism and malicious mischief, as Mortgagee may require and shall further provide flood insurance (if the Premises are situated in a special flood hazard area as determined by the Director of the Federal Emergency Management Agency or other governing agency), loss of rents insurance, public liability and product liability insurance and any other insurance as Mortgagee reasonably may require from time to time, all in amounts and in forms and with companies as are reasonably satisfactory to Mortgagee. Mortgagor shall deliver to Mortgagee the policies evidencing the required insurance with premiums fully paid for one year in advance and with standard mortgage clauses satisfactory to Mortgagee. Renewals of the required insurance (together with evidence of premium prepayment for one year in advance) shall be delivered to Mortgagee at least thirty (30) days before the expiration of any existing policies. All policies and renewals shall provide that they may not be canceled or amended without giving Mortgagee thirty (30) days prior written notice of cancellation or amendment. All policies and renewals shall be held by, and are pledged to, Mortgagee, along with all insurance premium rebates, as additional security for the Indebtedness. Should Mortgagor fail to insure or

fail to pay the premiums on any required insurance or fail to deliver the policies or renewals of them as provided above, Mortgagee may (but is not obligated to) have the insurance issued or renewed (and pay the premiums on it for the account of Mortgagor) in amounts and with companies and at premiums as Mortgagee deems appropriate. If Mortgagee elects to have insurance issued or renewed to insure Mortgagee's interest, Mortgagee shall have no obligation to also insure Mortgagor's interest or to notify Mortgagor of Mortgagee's actions. Any sums paid by Mortgagee for insurance as provided above shall be added to the Indebtedness. In the event of loss or damage, the proceeds of all required insurance shall be paid to Mortgagee alone. No loss or damage shall itself reduce the Indebtedness. Mortgagee and any of Mortgagee's employees is each irrevocably appointed attorney-in-fact for Mortgagor and is authorized to adjust and compromise each loss without the consent of Mortgagor, to collect, receive and receipt for the insurance proceeds in the name of Mortgagee and Mortgagor and to endorse Mortgagor's name upon any check in payment of the loss. The proceeds shall be applied first toward reimbursement of all costs and expenses of Mortgagee in collecting the proceeds (including, without limit, attorneys' fees), and then toward payment of the Indebtedness or any portion of it, whether or not then due or payable and in whatever order of maturity as Mortgagee may elect. ~~or Mortgagee, at its option, may apply any or all the insurance proceeds to the repair or rebuilding of the Premises. Application of proceeds by Mortgagee toward later maturing installments of the Indebtedness shall not excuse Mortgagor from making the regularly scheduled installment payments nor shall such application extend the due date or reduce the amount of any of these payments. Application of proceeds by Mortgagee toward payment of the Indebtedness shall constitute an acceleration and prepayment and shall subject Mortgagor to any applicable prepayment premium or formula. In the event of a foreclosure of this Mortgage, or the giving of a deed in lieu of foreclosure, the purchaser or grantee of the Premises shall succeed to all of the rights of Mortgagor under said insurance policies. At the sole option of Mortgagee (which option may only be exercised following the occurrence of an Event of Default), Mortgagor shall pay to Mortgagee on the first day of each month a pro rata portion of the annual premiums (as estimated by Mortgagee) for the required insurance in an amount sufficient to pay them when due, plus payments (based on single item or aggregate analysis, as determined by Mortgagee under applicable law) sufficient to maintain an additional balance of not more than one-sixth of that amount. In the event that sufficient funds have been deposited with Mortgagee to cover the amount of the insurance premiums for required insurance when the premiums become due and payable, Mortgagee shall pay the premiums. In the event that sufficient funds have not been deposited with Mortgagee to pay the insurance premiums at least fifteen (15) days prior to the time when they become due and payable, Mortgagor shall immediately upon request pay the amount of this deficiency to Mortgagee. Mortgagor shall promptly repair, replace or rebuild each part of the Premises which may be damaged or destroyed by fire or other casualty or which may be affected by any eminent domain proceedings, unless the Mortgagee has applied the insurance proceeds or eminent domain award to payment of the Indebtedness.~~

5 Mortgagor shall abstain from commission of waste upon the Premises, keep the Premises in good repair, and promptly comply with all laws, regulations and requirements of all governmental bodies affecting the Premises. If Mortgagee determines that the Premises requires inspection, testing, appraisal, repair, care, alteration or attention of any kind, Mortgagee or its representatives may (but is not obligated to) enter upon the Premises, and inspect, test, appraise, repair, alter or maintain the Premises as Mortgagee may deem necessary, and Mortgagor shall reimburse Mortgagee upon demand for all resulting costs and expenses incurred by Mortgagee.

Any inspection, audit, appraisal or examination by Mortgagee or its representatives of the Premises or of information or documents pertaining to the Premises is for the sole purpose of protecting Mortgagee's interests under this Mortgage and is not for the benefit or protection of Mortgagor or any third party. Mortgagee has no obligation to provide Mortgagor or any third party with information concerning, or results of, any inspection, audit, appraisal or examination by Mortgagee or its representatives. If Mortgagee, in its sole discretion, discloses information to Mortgagor this disclosure is for the sole protection of Mortgagee, does not constitute an agreement to further disclosure and does not create a warranty by Mortgagee as to the accuracy, sufficiency or any other aspect of the disclosure. Mortgagee may spend money as Mortgagee deems essential to protect the value of the Premises. Mortgagor shall not make or permit any other party to make any material alterations, additions or improvements of any type to the Premises (individually and collectively the "Improvements"), regardless of whether the Improvements would increase the value of the Premises, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld by Mortgagee. If Mortgagee consents to the making of any Improvements and the Improvements are not completed with due diligence in accordance with the plans and specifications approved in writing by Mortgagee, or if construction of the Improvements should cease before completion for a period of thirty (30) days, then and in either event it shall be an Event of Default under this Mortgage and Mortgagee shall have all the rights and remedies provided in this Mortgage, including without limitation, the right (but not the obligation) to enter or cause entry to be made upon the Premises and complete the Improvements and its costs shall be added to the Indebtedness. If any action is threatened or commenced which affects Mortgagee's interest in the Premises, including, without limit, building, environmental or zoning proceedings, Mortgagee may take such action as it deems necessary to protect its interest and its costs shall be added to the Indebtedness.

6 In the event the Premises is taken under power of eminent domain, or by condemnation, the entire proceeds of the award shall be paid directly to Mortgagee and applied toward reimbursement of all Mortgagee's costs and expenses incurred in connection with collecting the award, if any, (including, without limit, attorney fees), and the balance applied upon the Indebtedness whether or not then due or payable in whatever manner Mortgagee deems advisable. Application by Mortgagee of any condemnation award or portion of it toward the last maturing installments of the Indebtedness shall not excuse Mortgagor from making the regularly scheduled payments nor extend the due date or reduce the amount of these payments. Application of any condemnation award by Mortgagee toward payment of the Indebtedness shall constitute an acceleration and a prepayment and shall subject Mortgagor to any applicable prepayment premium or formula. Mortgagee or any of Mortgagee's employees is irrevocably appointed attorney-in-fact and is duly authorized and empowered to receive, receipt for, discharge and satisfy any condemnation award and judgment, whether joint or several, on behalf of Mortgagor. Mortgagee shall not be liable for failure to collect any condemnation award, regardless of the cause of such failure.

7 The Indebtedness shall become due and payable immediately, without notice, at the option of Mortgagee, if Mortgagor shall convey, assign or transfer the Premises by deed, land contract or other instrument, or if title to the Premises shall become vested in any other person or party in any manner whatsoever or if there is any disposition (through one or more transactions) of legal or beneficial title to a controlling interest of Mortgagor. In the event ownership of the Premises becomes vested in a person or persons other than Mortgagor (with or without the prior written

approval of Mortgagee), Mortgagee may (but shall not be obligated to) deal with and may enter into any contract or agreement with the successor(s) in interest with reference to this Mortgage in the same manner as with Mortgagor, without in any manner discharging or otherwise affecting the lien of this Mortgage or Mortgagor's liability under this Mortgage or upon the Indebtedness.

8. This Mortgage shall, as to any personal property covered by it, be deemed to grant a security interest in the personal property pursuant to the Uniform Commercial Code. Mortgagor agrees, upon request of Mortgagee from time to time, to promptly furnish a detailed list of personal property subject to this Mortgage and, upon request by Mortgagee, to immediately execute, deliver and/or file any mortgage, security agreement or financing statement to include specifically this list of personal property and to immediately take such other actions as deemed necessary or desirable by Mortgagee to evidence, perfect or continue the security interests granted in this Mortgage; and Mortgagee or any agent of Mortgagee is hereby authorized in its own name, and is also hereby irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney in fact for Mortgagor (with full power of substitution) in the name and place of Mortgagor, to execute and file such security agreements and financing statements and to take such other actions as deemed necessary or desirable by Mortgagee to evidence, perfect or continue the security interests granted in this Mortgage. Upon the occurrence of any Event of Default under this Mortgage, Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code or otherwise provided by law or by this Mortgage including, without limit, the right to require Mortgagor to assemble the personal property and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to both parties, the right to take possession of the personal property with or without demand and with or without process of law and the right to sell and dispose of it and distribute the proceeds according to law. Mortgagor agrees that any requirement of reasonable notice shall be met if Mortgagee sends notice to Mortgagor at least ten (10) days prior to the date of sale, disposition or other event giving rise to the required notice. Mortgagor agrees that the proceeds of any disposition of the personal property may be applied by Mortgagee first to Mortgagee's reasonable expenses in connection with the disposition including, without limit, attorney fees, and then to payment of the Indebtedness. At any sale or other disposition of the personal property pursuant to this paragraph, Mortgagee disclaims all warranties which would otherwise be given under the Uniform Commercial Code, including without limit a disclaimer of any warranty relating to title, possession, quiet enjoyment or the like, and Mortgagee may communicate these disclaimers to a purchaser at such disposition. This disclaimer of warranties will not render the sale commercially unreasonable. Mortgagor agrees that Mortgagee shall be under no obligation to accept any noncash proceeds in connection with any sale or disposition of the personal property covered by this Mortgage, unless failure to do so would be commercially unreasonable. If Mortgagee agrees in its sole discretion to accept noncash proceeds (unless the failure to do so would be commercially unreasonable), Mortgagee may ascribe any commercially reasonable value to such proceeds. Without limiting the foregoing, Mortgagee may apply any discount factor in determining the present value of proceeds to be received in the future or may elect to apply proceeds to be received in the future only as and when such proceeds are actually received in cash by Mortgagee. Mortgagor represents that its exact name is its name as set forth in this Mortgage and that Mortgagor is incorporated (as determined pursuant to Article 9 of the Uniform Commercial Code) in Michigan, unless otherwise expressly specified in this Mortgage. Mortgagor will give Mortgagee not less than 90 days prior written notice of all contemplated changes in Mortgagor's name,

location, chief executive office, state of incorporation, or principal place of business, but the giving of this notice shall not cure any Event of Default caused by this change. "Uniform Commercial Code" means Florida Statutes Chapter 679, as amended, revised or replaced from time to time. Notwithstanding the foregoing, the parties intend that the terms used herein which are defined in the Uniform Commercial Code have, at all times, the broadest and most inclusive meanings possible. Accordingly, if the Uniform Commercial Code shall in the future be amended or held by a court to define any term used herein more broadly or inclusively than the Uniform Commercial Code in effect on the date of this Agreement, then such term, as used herein, shall be given such broadened meaning. If the Uniform Commercial Code shall in the future be amended or held by a court to define any term used herein more narrowly, or less inclusively, than the Uniform Commercial Code in effect on the date of this Agreement, such amendment or holding shall be disregarded in defining terms used in this Agreement.

9. As additional security for the payment and performance of the Indebtedness, Mortgagor grants a security interest to Mortgagee in all deposit or other accounts with Mortgagee and Mortgagor assigns to Mortgagee all its right, title and interest in all written and oral leases and occupancy agreements, now or later existing, covering the Premises (but without an assumption by Mortgagee of liabilities of Mortgagor under any of these leases or occupancy agreements by virtue of this assignment), and Mortgagor assigns to Mortgagee the rents, issues and profits of the Premises. If an Event of Default occurs under this Mortgage, Mortgagee may receive and collect the rents, issues and profits personally or through a receiver so long as the Event of Default exists and during the pendency of any foreclosure proceedings and during any redemption period. Mortgagor agrees to consent to the appointment of a receiver if this is believed necessary or desirable by Mortgagee to enforce its rights under this Mortgage. Mortgagee shall at no time have any obligation to attempt to collect rent or other amounts from any tenant or occupier of the Premises. Mortgagee shall at no time have any obligation to enforce any other obligations owed by tenants or occupiers of the Premises to Mortgagor. No action taken by Mortgagee under this Mortgage shall make Mortgagee a "mortgagee in possession." Mortgagor shall at no time collect advance rent under any lease or occupancy agreement pertaining to the Premises in excess of one month (other than as a security deposit) and Mortgagee shall not be bound in any respect by any rent prepayment in violation of this prohibition. The assignment of licenses and permits under this Mortgage shall not be construed as a consent by Mortgagee to any license or permit so assigned, or to impose upon Mortgagee any obligations with respect to them. Mortgagor shall not cancel or amend any of the licenses and permits assigned (nor permit any of them to terminate if they are necessary or desirable for the operation of the Premises) without first obtaining the written approval of Mortgagee which consent shall not be unreasonably withheld. This paragraph shall not be applicable to any license or permit that terminates if it is assigned without the consent of another party (other than Mortgagor), unless this consent has been obtained nor shall this paragraph be construed as a present assignment of any license or permit that Mortgagor is required by law to hold. Mortgagor shall comply with and perform as required all obligations and restrictions imposed upon Mortgagor or the Premises under applicable deed restrictions, restrictive covenants, easements, leases, land contracts, condominium or planned unit development documents, or other agreements affecting the Premises, but this is not a consent by Mortgagee to take subject to any of these agreements unless specifically set forth on attached Exhibit "B", if any, and Mortgagee does not assume any obligations under these agreements. Mortgagor shall promptly provide Mortgagee with certificates of occupancy, licenses, rent rolls, income and expense

statements and other documents and information pertaining to the Premises and its operations as Mortgagee, from time to time, may request. The rights and remedies in favor of Mortgagee granted by this Mortgage shall be in addition to and shall not in any way constitute a limitation upon the rights and remedies available to Mortgagee under applicable law, including without limitation all rights under Chapter 697.07, Florida Statutes, regarding assignment of rents and all rights under Chapter 702, Florida Statutes, regarding foreclosure actions.

10 (a) Mortgagor represents and covenants that Mortgagor has not used Hazardous Materials (as later defined) on or affecting the Premises in any manner which violates Environmental Laws (as later defined), that there is no condition concerning the Premises which could require remediation pursuant to Environmental Laws, and that, to the best of Mortgagor's knowledge, no prior owner of the Premises or any current or prior occupant has used Hazardous Materials on or affecting the Premises in any manner which violates Environmental Laws. Mortgagor covenants and agrees that neither it nor any occupant shall use, introduce or maintain Hazardous Materials on the Premises unless done in strict compliance with all Environmental Laws, (b) Mortgagor shall conduct and complete all investigations, environmental audits, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on or affecting the Premises, whether caused by Mortgagor or a third party, in accordance with all Environmental Laws to the satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities, and Mortgagor shall notify Mortgagee in writing prior to taking, and continually after the status of, all such actions. Mortgagor shall, promptly upon Mortgagee's request, provide Mortgagee with copies of the results of all such actions and all related documents and information. Any remedial, removal or other action by Mortgagor shall not be deemed a cure or waiver of any breach of this paragraph 10 due to the presence or use of Hazardous Materials on or affecting the Premises. Additionally, Mortgagor shall defend, indemnify and hold harmless Mortgagee, its employees, agents, shareholders, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including, without limit, attorney fees) of whatever kind arising out of or related to (i) the presence, disposal, release or threatened release of any Hazardous Materials on, from or affecting the Premises or the soil, water, air, vegetation, buildings, personal property, persons or animals on the Premises, (ii) any personal injury (including, without limit, wrongful death) or property damage (real or personal) arising out of or related to these Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached or government order related to these Hazardous Materials, (iv) the cost of removal of Hazardous Materials from any portion of the Premises, (v) taking necessary precautions to protect against the release of Hazardous Materials on or affecting the Premises, (vi) complying with all Environmental Laws and/or (vii) any violation of Environmental Laws or requirements of Mortgagee, which are in any way related to Hazardous Materials including, without limit, attorneys and consultants' fees (the attorneys and consultants to be selected by Mortgagee), investigation and laboratory fees and environmental studies required by Mortgagee (whether prior to foreclosure, or otherwise). Upon the request of Mortgagee, Mortgagor and any guarantor shall execute a separate indemnity consistent with this paragraph, (c) Mortgagor has never received any notice ("Environmental Complaint") of any potential violation of Environmental Laws with respect to Mortgagor or the Premises (and, within five (5) days of receipt of any Environmental Complaint, Mortgagor shall give Mortgagee a copy of it), and to the best of Mortgagor's knowledge, there have been no actions commenced or threatened by any party with respect to Mortgagor or the Premises for noncompliance with



any Environmental Laws; (d) In the event this Mortgage is foreclosed or Mortgagor tenders a deed in lieu of foreclosure, Mortgagor shall deliver the Premises to Mortgagee, purchaser or grantee, as the case may be, free of Hazardous Materials so that the condition of the Premises shall not be a violation of any Environmental Laws; (e) Upon ten (10) days notice to Mortgagor (except in an emergency or where not practical under applicable law, in which case notice is waived), and without limitation of Mortgagee's other rights under this Mortgage or elsewhere, Mortgagee has the right, but not the obligation, to enter on the Premises and to take those actions as it deems appropriate to investigate or test for, clean up, remove, resolve, minimize the impact of or advise governmental agencies of the possible existence of any Hazardous Materials upon Mortgagee's receipt of any notice from any source asserting the existence of any Hazardous Materials or an Environmental Complaint pertaining to the Premises which, if true, could result in an order, suit or other action against Mortgagor or any part of the Premises which, in the sole opinion of Mortgagee, could jeopardize its security under this Mortgage. Any such actions conducted by Mortgagee shall be solely for the benefit of and to protect the interests of Mortgagee and shall not be relied upon Mortgagor or any third party for any purpose. By conducting any such actions, Mortgagee does not assume control over the environmental affairs or operations of Mortgagor nor assume any liability of Mortgagor or any third party; (f) The provisions of this paragraph 10 shall be in addition to all other obligations and liabilities Mortgagor may have to Mortgagee at common law or pursuant to any other agreement, and shall survive (i) the repayment of the Indebtedness, (ii) the satisfaction of all other obligations of Mortgagor under this Mortgage and under the other loan documents, (iii) the discharge of this Mortgage, and (iv) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure; and (g) For purposes of this Mortgage, (i) "Hazardous Materials" means each and all of the following: hazardous materials and/or substances as defined in any Environmental Law, asbestos, petroleum, petroleum by-products, natural gas, flammable explosives, radioactive materials, and toxic materials, and (ii) "Environmental Laws" mean any and all federal, state, local or other laws (whether under common law, by legislative action or otherwise), rules, policies, ordinances, directives, orders, statutes, or regulations an object of which is to regulate or improve health, safety, or the environment.

11. Upon the occurrence of any of the following events (each an "Event of Default"), Mortgagor shall be in default under this Mortgage: (a) Any failure to pay the Indebtedness or any other indebtedness when due, by acceleration or otherwise; (b) Any failure to comply with, or breach of, any term of this Mortgage, or any other agreement between Borrower, Mortgagor, or any guarantor of any of the Indebtedness ("guarantor") and Mortgagee; (c) Any warranty, representation, or other information made, given or furnished to Mortgagee by or on behalf of Borrower, Mortgagor, or any guarantor shall be, or shall prove to have been, false or materially misleading when made, given, or furnished; (d) Any loss, theft, substantial damage or destruction to or of any of the Premises, or the issuance or filing of any attachment, levy, garnishment or the commencement of any proceeding in connection with any of the Premises or of any other judicial process of, upon or in respect of Borrower, Mortgagor, any guarantor, or any of the Premises; (e) Sale or other disposition by Borrower, Mortgagor, or any guarantor of any substantial portion of its assets or property; or voluntary suspension of the transaction of business by Borrower, Mortgagor, or any guarantor; or death, dissolution, termination of existence, merger, consolidation, insolvency, business failure, or assignment for the benefit of creditors of or by Borrower, Mortgagor, or any guarantor; or commencement of any proceedings under any state or federal bankruptcy or insolvency laws or laws for the relief of debtors by or

against Borrower, Mortgagor, or any guarantor; or the appointment of a receiver, trustee, court appointee, sequestrator or otherwise, for all or any part of the property of Borrower, Mortgagor, or any guarantor; (f) Default under any mortgage or security agreement against any of the Premises; or (g) Mortgagee deems itself insecure (subject to the provisions of Section 1-208 of the Michigan Uniform Commercial Code), in good faith believing that the prospect of payment of the Indebtedness or performance of this Mortgage is impaired or shall fear deterioration, removal, or waste of the Premises.

12. Acceleration of the Indebtedness as provided in this Mortgage shall trigger any applicable prepayment premium or formula. Without limiting when a prepayment premium may be due, it is agreed that, at any time after acceleration, a tender of payment of the amount necessary to satisfy the entire Indebtedness by or on behalf of Mortgagor or otherwise, must include any applicable prepayment premium or formula.

13. Immediately upon the occurrence of any Event of Default, Mortgagee shall have the option to do any or all of the following: (a) Declare the entire unpaid amount of the Indebtedness, including, without limit, accrued and unpaid interest on it and any applicable prepayment premium or formula, and all other charges payable by Mortgagor to Mortgagee, to be immediately due and payable and, at Mortgagee's option, (i) to bring suit for the same, or (ii) to take all steps and institute all other proceedings that Mortgagee deems necessary to enforce payment of the Indebtedness and performance under this Mortgage and to protect the lien of this Mortgage; (b) Commence foreclosure proceedings against the Premises through judicial proceedings. The commencement by Mortgagee of foreclosure proceedings shall be deemed an exercise by Mortgagee of its option to accelerate the Indebtedness, unless such proceedings on their face specifically indicate otherwise. Mortgagor consents to the sale of the Premises in a single parcel or in several parcels; (c) Procure new or cause to be updated abstracts, tax histories, title insurance, or title reports; (d) Obtain a receiver to manage the Premises and collect the rents, profits and income from it without notice to Borrower unless required by applicable law; (e) Contest the amount or validity of any taxes applicable to the Premises by appropriate proceedings either in Mortgagee's name, Mortgagor's name or jointly with Mortgagor. Mortgagor shall execute and deliver to Mortgagee, upon demand, whatever documents and information Mortgagee determines may be necessary or proper to so contest the taxes or to secure payment of any resulting refund. Mortgagor shall reimburse Mortgagee for all costs and expenses, including, without limit, attorney fees, incurred in connection with each tax contest proceeding. All refunds resulting from each tax contest proceeding shall belong to Mortgagee to be applied against the Indebtedness with the surplus, if any, to be paid to Mortgagor. Mortgagee and any of its employees is each irrevocably appointed attorney-in-fact for Mortgagor and is authorized to execute and deliver in the name of Mortgagor those documents deemed necessary or proper by Mortgagee to carry out any tax contest proceeding or receive any resulting refunds; and/or (f) In the event of any sale of the Premises by foreclosure, through judicial proceedings or otherwise, apply the proceeds of any such sale in the following order or such other order as Mortgagee may elect: to (i) all expenses incurred for the collection of the Indebtedness and the foreclosure of this Mortgage including, without limit, attorney fees; (ii) all sums expended or incurred by Mortgagee directly or indirectly in carrying out terms, covenants and agreements of or under this Mortgage or any related document, together with interest as provided in this Mortgage; (iii) all accrued and unpaid interest and late payment charges upon the Indebtedness; (iv) any applicable prepayment premium or formula; (v) the unpaid principal amount of the

Indebtedness, and (vi) the surplus, if any, paid to Mortgagor unless a court of competent jurisdiction decrees otherwise

14 No single or partial exercise, or delay in the exercise, of any right or power under this Mortgage, shall preclude other or further exercise of the rights and powers under this Mortgage. The unenforceability of any provision of this Mortgage shall not affect the enforceability of the remainder. This Mortgage constitutes the entire agreement of Mortgagor and Mortgagee with respect to the subject matter of this Mortgage. No amendment of this Mortgage shall be effective unless the same shall be in writing and signed by Mortgagor and an authorized officer of Mortgagee. If there is more than one Mortgagor, all undertakings, warranties and covenants made by Mortgagor and all rights and powers given to Mortgagee are made or given jointly and severally. This Mortgage shall be binding on Mortgagor and Mortgagee and on Mortgagor's and Mortgagee's heirs, legal representatives, successors and assigns including, without limit, any debtor in possession or trustee in bankruptcy for Mortgagor. This shall not be deemed a consent by Mortgagee to a conveyance by Mortgagor of all or part of the Premises or of any ownership interest in Mortgagor. Mortgagee may sell, assign or grant participations in any of the Indebtedness and any related obligations, including, without limit, this Mortgage. Mortgagee may provide information relating to this Mortgage or relating to Mortgagor to Mortgagee's parent, affiliates, subsidiaries, service providers, assignees and participants so long as the recipient is obligated to hold such information confidential to the same extent that Mortgagee is required to do so. In the event of foreclosure of this Mortgage or the enforcement by Mortgagee of any other remedies under this Mortgage, Mortgagor waives any right otherwise available in respect to marshalling of assets which secure the Indebtedness or to require Mortgagee to pursue its remedies against any other assets or any other party. Upon full and final payment of the Indebtedness and performance by Mortgagor of all its other obligations under this Mortgage, except as otherwise provided in paragraphs 10(f) and 20, the parties shall automatically each fully and finally release and discharge the other from any claim, liability or obligation in connection with this Mortgage and the Indebtedness. This Mortgage shall in all respects be governed by and construed in accordance with the laws of the State of Florida.

15 Promptly upon the request of Mortgagee, Mortgagor shall execute, acknowledge and deliver all further documents, and do all further acts as Mortgagee may require in its sole discretion to confirm and protect the lien of this Mortgage or otherwise to accomplish the purposes of this Mortgage.

16 Nothing in this Mortgage shall be construed to preclude Mortgagee from pursuing any available remedy provided by law for the collection of the Indebtedness or enforcement of its rights upon an Event of Default. Nothing in this Mortgage shall reduce or release any rights or security interests of Mortgagee contained in any existing agreement between Borrower, Mortgagor, or any guarantor and Mortgagee. No waiver of default or consent to any act by Mortgagor shall be effective unless in writing and signed by an authorized officer of Mortgagee. No waiver of any default or forbearance on the part of Mortgagee in enforcing any of its rights under this Mortgage shall operate as a waiver of any other default or of the same default on a future occasion or of any rights.

17 At the sole option of Mortgagee, this Mortgage shall become subordinate, in whole or in part (but not with respect to priority as to insurance proceeds or any eminent domain award) to any or

all leases and/or occupancy agreements of the Premises upon the execution by Mortgagee, and recording in the appropriate official county records where the premises are located, of a unilateral declaration to that effect

18 All notices and demands required or permitted to be given to Mortgagor shall be deemed given when delivered to Mortgagor or when placed in an envelope addressed to Mortgagor at the address above, or at such other address as Mortgagee may have on its records, and deposited, with postage, in a depository under the custody of the United States Postal Service or delivered to an overnight delivery courier. The mailing may be certified, first class or overnight delivery mail.

19 To the extent that any of the Indebtedness is payable upon demand, nothing contained in this Mortgage shall modify the terms and conditions of that Indebtedness nor prevent Mortgagee from making demand, without notice and with or without reason, for immediate payment of any or all of that Indebtedness at any time(s), whether or not an Event of Default has occurred.

20 Notwithstanding any prior revocation, termination or discharge of this Mortgage, (except as to the rights of subsequent intervening bona fide purchasers or lienholders) the effectiveness of this Mortgage shall automatically continue or be reinstated in the event that (a) any payment received or credit given by Mortgagee in respect of the Indebtedness is returned, disgorged or rescinded as a preference, impermissible setoff, fraudulent conveyance, diversion of trust funds, or otherwise under any applicable law, in which case this Mortgage shall be enforceable as if the returned, disgorged or rescinded payment or credit had not been received or given, whether or not Mortgagee relied upon this payment or credit or changed its position as a consequence of it, or (b) any liability is sought to be imposed against Mortgagee relating to any matter as to which Mortgagor agreed to indemnify Mortgagee under this Mortgage, including, without limit, as to the presence of Hazardous Materials on, in or about the Premises, whether this matter is known or unknown, now or later exists (excluding only matters which arise after any acquisition by Mortgagee of the Premises, by foreclosure, deed in lieu of foreclosure or otherwise, to the extent due to the wrongful act or omission of Mortgagee), in which case this Mortgage shall be enforceable to the extent of all liability, costs and expenses (including, without limit, attorney fees) incurred by Mortgagee as the direct or indirect result thereof. In the event of continuation or reinstatement of this Mortgage, Mortgagor agrees upon demand by Mortgagee to execute and deliver to Mortgagee those documents which Mortgagee determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of Mortgagor to do so shall not affect in any way the reinstatement or continuation. If Mortgagor does not execute and deliver to Mortgagee upon demand such documents, Mortgagee and each employee is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of Mortgagor (with full power of substitution) to execute and deliver such documents in the name and on behalf of Mortgagor.

21 EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS MORTGAGE OR THE INDEBTEDNESS.

22. Receiver. If an Event of Default shall occur and then upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of Mortgagee, Mortgagee to the extent permitted by law and without regard to the value or occupancy of the security shall be entitled as a matter of right to the appointment of a receiver to enter upon and take possession of the Mortgaged Property. The receiver shall collect all revenues, issues, income, profits and rents thereof, pending such proceedings and apply the same as the court may direct. Mortgagor hereby specifically waives the right to object to the appointment of a receiver as described herein and hereby expressly consents that such appointment shall be made as Mortgagee's absolute right and that such appointment may be made without notice to Mortgagor. The receiver shall have all rights and powers permitted under the laws of Florida and such other powers as the court making such appointment shall confer. The expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of, to manage and operate, the Mortgaged Property, to collect the revenues, issues, income, profits and rents thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrent therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits actually received by Mortgagee. Notwithstanding the appointment of any receiver, trustee or other custodian, Mortgagee shall be entitled as pledgee to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Mortgagee.

23. Additional provisions, if any:

- a. Waiver of Notice of Limitation of Indebtedness. Mortgagor hereby waives, on behalf of itself and its successors and assigns, the right to file for recording a notice limiting the maximum principal amount which may be secured by this Mortgage, as provided for in Florida Statutes, 697.04(1)(b), as may be amended from time to time.
- b. After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property of any nature whatsoever attached to, located in, on, or used in the operation of the Mortgaged Property or any part thereof, owned by Mortgagor or in which Mortgagor has an interest, and Mortgagor covenants and warrants that it will have good and absolute title to all of the aforesaid after acquired property it acquires, free of any lien or encumbrance.
- c. Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage and that no waiver of any obligation hereunder or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the instrument secured hereby.
- d. Legal Description Indemnification. Mortgagor has read and does hereby approve the legal description of the Premises which is the subject of this Mortgage as set forth in Exhibit "A" attached hereto, and hereby indemnifies Mortgagee, its successors or assigns, and their attorneys with respect to any liability which might

arise as a consequence of Section 697 10, Florida Statutes, or any successors or amendments thereto

- e Limitation Notwithstanding the principal amount of the Indebtedness secured by this Mortgage, recovery of principal under this Mortgage shall be limited to \$4,185,000, provided, however, such limitation shall in no way be deemed to limit, in any manner whatsoever, Mortgagee's ability to recover (i) any unpaid or past-due interest (including any default interest or interest on any judgment obtained by Mortgagee against Mortgagor) in connection with the Note and this Mortgage, (ii) protective advances made by Mortgagee in accordance with the Note and this Mortgage, or (iii) amounts incurred by Mortgagee in connection with the occurrence of an Event of Default hereunder, including, without limitation, attorneys' fees and costs, court costs and costs of collection
- f Notwithstanding any provision in this Mortgage to the contrary, in the event any insurance proceeds become available as a result of any hazard insurance loss, such proceeds shall be held by Mortgagee, or escrow agent satisfactory to Mortgagee, without application to the Indebtedness and used to reimburse Mortgagor for the repair and restoration of the Premises to the condition existing immediately prior to the loss, or such other condition as Mortgagee may approve in writing, subject to the following terms and conditions:
- (i) There shall be no Event of Default under this Mortgage.
- (ii) Mortgagee shall be satisfied that the Premises can be restored to an architectural and economic unit of substantially the same character and value as existed prior to the casualty, and shall have approved in writing plans and specifications of an architect satisfactory to Mortgagee and contractor's cost estimates by contractors satisfactory to Mortgagee,
- (iii) Such proceeds shall have been deemed sufficient by Mortgagee to pay all costs of, and expenses incidental to, such repair or restoration and, if such proceeds shall be deemed insufficient to pay same, Mortgagor shall have deposited with Mortgagee or such escrow agent such additional sums as Mortgagee deems necessary, in its reasonable judgment, when combined with such proceeds, to pay such costs and expenses,
- (iv) The repair or restoration can be completed before the maturity of the Indebtedness,
- (v) Mortgagee shall be entitled to deduct from each such advance all costs reasonably incurred by Mortgagee in connection therewith,
- (vi) The improvements on the Premises shall not have been damaged to the extent of 75% or more of the value of such improvements,
- (vii) Mortgagee shall be satisfied that the leases of the Premises are not subject to termination because of the hazard loss,

- (viii) Mortgagor shall not be entitled to interest on any proceeds held by Mortgagee,
- (ix) Mortgagee shall not be deemed a fiduciary, and shall have no obligation to restore or repair the Premises,
- (x) At Mortgagee's option, disbursement of proceeds shall be subject to Mortgagee's usual construction loan requirements

If these conditions cannot be satisfied, in Mortgagee's sole discretion, then Mortgagee may at its option apply the insurance proceeds to the Indebtedness, and Mortgagor shall be liable for any prepayment or fee resulting therefrom.

IN WITNESS WHEREOF, Mortgagor has signed and delivered this Mortgage the day and year first written above

RECORDING REQUIREMENTS: Two witnesses are required for each Mortgagor. Type or print name of each Mortgagor, Witness and Notary beneath the respective signature line.

WITNESSES:

MORTGAGOR(S)

TROPIC RANCH, INC.

SIGNATURE OF [Signature]

By [Signature] - [Signature]  
SIGNATURE OF [Signature] - [Signature]

SIGNATURE OF [Signature]  
SIGNATURE OF [Signature]

Its President

STATE OF MICHIGAN

COUNTY OF [Signature]

The foregoing instrument was acknowledged before me on December, 2006 by THOMAS KATHLEEN ROSE, the President of Tropic Ranch, Inc., a Florida corporation, on behalf of said entity, who is known to me or provided id for identification [NORMALLY A DRIVER'S LICENSE]

[Signature]  
Notary Public, Alcona County, MI  
My commission expires 4/24/2012

EXHIBIT "A"

Legal Description

Land situated in the County of Broward, State of Florida, described as:

Lots 15 and 16, in Block 8, of LAUDERDALE-BY-THE-SEA, FLORIDA, according to the Plat thereof, as recorded in Plat Book 6, at Page(s) 2, of the Public Records of Broward County, Florida.

THIS IS NOT AN  
OFFICIAL COPY



**EXHIBIT B**

**Permitted Exceptions**

1. All assessments and taxes for the year 2007 and all subsequent years, which are not yet due and payable.
2. Perpetual Beach Storm Damage Reduction Easement by and between John and Dolores Todd, Grantor, and Broward County, Grantee, recorded December 17, 2001, in Official Records Book 32501, Page 1733, Public Records of Broward County, Florida.
3. Riparian and littoral rights are neither guaranteed nor insured.
4. The inalienable rights of the public to use the navigable waters covering the insured land.
5. Rights of the United States of America and/or the State of Florida in and to navigable waters or filled land, in the interest of navigation and commerce in what were formerly navigable waters, and any conditions contained in any permits authorizing the filling in of such lands.
6. Any claim by the State of Florida to any portion of the insured land lying seaward of the Erosion Control Line established by the instrument recorded at Official Records Book 10881, Page 588, of the Public Records of Broward County, Florida.

EXHIBIT "A"

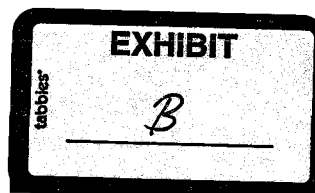
Legal Description

Land situated in the County of Broward, State of Florida, described as:

Lots 15 and 16, in Block 8, of LAUDERDALE-BY-THE-SEA, FLORIDA, according to the Plat thereof, as recorded in Plat Book 6, at Page(s) 2, of the Public Records of Broward County, Florida.

THIS IS NOT AN  
OFFICIAL COPY

Print Unknown document property name.





# Variable Rate - Installment Note

AMOUNT	NOTE DATE	MATURITY DATE	TAX IDENTIFICATION NUMBER
\$3,185,000	December 6, 2006	December 1, 2011	

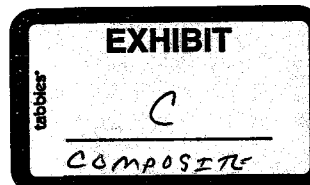
FOR VALUE RECEIVED, the undersigned promise(s) to pay to the order of COMERICA BANK ("Bank"), at any office of the Bank in the State of Michigan, Three Million One Hundred Eighty Five Thousand Dollars (U.S.) in installments of \$25,700 each **INCLUSIVE OF** interest on the unpaid balance from the date of this Note at a per annum rate equal to the Bank's prime rate from time to time in effect less ¾% per annum until maturity, whether by acceleration or otherwise, or until Default, as later defined, and after that at a default rate equal to the rate of interest otherwise prevailing under this Note plus 2% per annum (but in no event in excess of the maximum rate permitted by law). Interest shall be calculated for the actual number of days the principal is outstanding on the basis of a 365-day year if this Note evidences a business or commercial loan or a 365-day year if a consumer loan. The Bank's "prime rate" is that annual rate of interest so designated by the Bank and which is changed by the Bank from time to time. Interest rate changes will be effective for interest computation purposes as and when the Bank's prime rate changes. Installments of principal and accrued interest due under this Note shall be payable on the first day of each month, commencing January 2, 2007, and the entire remaining unpaid balance of principal and accrued interest shall be payable on the Maturity Date set forth above. If the frequency of principal and interest installments is not otherwise specified, installments of principal and interest due under this Note shall be payable monthly on the first day of each month.

In the event the periodic installments set forth above are inclusive of interest, these installments are calculated at an assumed fixed interest rate and an assumed amortization term. The amortization term ends on December 1, 2026 (if left blank, the amortization term ends on the Maturity Date). In the event this Note evidences a business or commercial loan and the Bank's prime rate changes, the Bank, at its sole option, may from time to time recalculate the periodic installment amount so that the remaining periodic installments will fully amortize the remaining loan balance within the remaining amortization term in equal installments at the interest rate then being charged under this Note. **THE UNDERSIGNED AGREE(S) TO PAY THE PERIODIC INSTALLMENTS AS THEY MAY BE RECALCULATED BY THE BANK FROM TIME TO TIME AND ACKNOWLEDGE(S) THAT A RECALCULATION SHALL NOT AFFECT THE MATURITY DATE OR THE OTHER TERMS AND PROVISIONS OF THIS NOTE.** If this Note or any installment under this Note shall become payable on a day other than a day on which the Bank is open for business, this payment may be extended to the next succeeding business day and interest shall be payable at the rate specified in this Note during this extension. Any payments of principal in excess of the installment payments required under this Note need not be accepted by the Bank (except as required under applicable law), but if accepted shall apply to the installments last falling due. A late installment charge equal to 5% of each late installment may be charged on any installment payment not received by the Bank within 10 calendar days after the installment due date, but acceptance of payment of this charge shall not waive any Default under this Note.

This Note and any other indebtedness and liabilities of any kind of the undersigned (or any of them) to the Bank, and any and all modifications, renewals or extensions of it, whether joint or several, contingent or absolute, now existing or later arising, and however evidenced (collectively "Indebtedness") are secured by and the Bank is granted a security interest in all items deposited in any account of any of the undersigned with the Bank and by all proceeds of these items (cash or otherwise), all account balances of any of the undersigned from time to time with the Bank, by all property of any of the undersigned from time to time in the possession of the Bank and by any other collateral, rights and properties described in each and every deed of trust, mortgage, security agreement, pledge, assignment and other agreement which has been, or will at any time(s) later be, executed by any (or all) of the undersigned to or for the benefit of the Bank (collectively "Collateral"). Notwithstanding the above, (i) to the extent that any portion of the Indebtedness is a consumer loan, that portion shall not be secured by any deed of trust or mortgage on or other security interest in any of the undersigned's principal dwelling or in any of the undersigned's real property which is not a purchase money security interest as to that portion, unless expressly provided to the contrary in another place, or (ii) if the undersigned (or any of them) has(have) given or give(s) Bank a deed of trust or mortgage covering California real property, that deed of trust or mortgage shall not secure this Note or any other indebtedness of the undersigned (or any of them), unless expressly provided to the contrary in another place.

If the undersigned (or any of them) or any guarantor under a guaranty of all or part of the Indebtedness ("guarantor") (i) fail(s) to pay this Note or any of the Indebtedness when due, by maturity, acceleration or otherwise, or fail(s) to pay any Indebtedness owing on a demand basis upon demand; or (ii) fail(s) to comply with any of the terms or provisions of any agreement between the undersigned (or any of them) or any guarantor and the Bank; or (iii) become(s) insolvent or the

Detroit\_717433\_3



subject of a voluntary or involuntary proceeding in bankruptcy, or a reorganization, arrangement or creditor composition proceeding, (if a business entity) cease(s) doing business as a going concern, (if a natural person) die(s) or become(s) incompetent, (if a partnership) dissolve(s) or any general partner of it dies, becomes incompetent or becomes the subject of a bankruptcy proceeding or (if a corporation or a limited liability company) is the subject of a dissolution, merger or consolidation; or (a) if any warranty or representation made by any of the undersigned or any guarantor in connection with this Note or any of the Indebtedness shall be discovered to be untrue or incomplete; or (b) if there is any termination, notice of termination, or breach of any guaranty, pledge, collateral assignment or subordination agreement relating to all or any part of the Indebtedness; or (c) if there is any failure by any of the undersigned or any guarantor to pay when due any of its indebtedness (other than to the Bank) or in the observance or performance of any term, covenant or condition in any document evidencing, securing or relating to such indebtedness; or (d) if the Bank deems itself insecure, believing that the prospect of payment of this Note or any of the Indebtedness is impaired or shall fear deterioration, removal or waste of any of the Collateral; or (e) if there is filed or issued a levy or writ of attachment or garnishment or other like judicial process upon the undersigned (or any of them) or any guarantor or any of the Collateral, including without limit, any accounts of the undersigned (or any of them) or any guarantor with the Bank, then the Bank, upon the occurrence of any of these events (each a "Default"), may at its option and without prior notice to the undersigned (or any of them), declare any or all of the Indebtedness to be immediately due and payable (notwithstanding any provisions contained in the evidence thereof to the contrary), sell or liquidate all or any portion of the Collateral, set off against the Indebtedness any amounts owing by the Bank to the undersigned (or any of them), charge interest at the default rate provided in the document evidencing the relevant Indebtedness and exercise any one or more of the rights and remedies granted to the Bank by any agreement with the undersigned (or any of them) or given to it under applicable law. All payments under this Note shall be in immediately available United States funds, without setoff or counterclaim.

If this Note is signed by two or more parties (whether by all as makers or by one or more as an accommodation party or otherwise), the obligations and undertakings under this Note shall be that of all and any two or more jointly and also of each severally. This Note shall bind the undersigned, and the undersigned's respective heirs, personal representatives, successors and assigns.

The undersigned waive(s) presentment, demand, protest, notice of dishonor, notice of demand or intent to demand, notice of acceleration or intent to accelerate, and all other notices and agree(s) that no extension or indulgence to the undersigned (or any of them) or release, substitution or nonenforcement of any security, or release or substitution of any of the undersigned, any guarantor or any other party, whether with or without notice, shall affect the obligations of any of the undersigned. The undersigned waive(s) all defenses or right to discharge available under Section 3-605 of the Michigan Uniform Commercial Code and waive(s) all other suretyship defenses or right to discharge. The undersigned agree(s) that the Bank has the right to sell, assign, or grant participations or any interest in, any or all of the Indebtedness, and that, in connection with this right, but without limiting its ability to make other disclosures to the full extent allowable, the Bank may disclose all documents and information which the Bank now or later has relating to the undersigned or the Indebtedness. The undersigned agree(s) that the Bank may provide information relating to this Note or relating to the undersigned to the Bank's parent, affiliates, subsidiaries and service providers.

The undersigned agree(s) to reimburse the holder or owner of this Note upon demand for any and all reasonable costs and expenses (including without limit, court costs, legal expenses and reasonable attorney fees, whether inside or outside counsel is used, whether or not suit is instituted and, if suit is instituted, whether at the trial court level, appellate level, in a bankruptcy, probate or administrative proceeding or otherwise) incurred in collecting or attempting to collect this Note or incurred in any other matter or proceeding relating to this Note.

The undersigned acknowledge(s) and agree(s) that there are no contrary agreements, oral or written, establishing a term of this Note and agree(s) that the terms and conditions of this Note may not be amended, waived or modified except in a writing signed by an officer of the Bank expressly stating that the writing constitutes an amendment, waiver or modification of the terms of this Note. As used in this Note, the word "undersigned" means, individually and collectively, each maker, accommodation party, indorser and other party signing this Note in a similar capacity. If any provision of this Note is unenforceable in whole or part for any reason, the remaining provisions shall continue to be effective. THIS NOTE IS MADE IN THE STATE OF MICHIGAN AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

THE MAXIMUM INTEREST RATE SHALL NOT EXCEED 25% PER ANNUM, OR THE HIGHEST APPLICABLE USURY CEILING, WHICHEVER IS LESS.

THE UNDERSIGNED AND THE BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS NOTE OR THE INDEBTEDNESS.

THE PROPER FLORIDA DOCUMENTARY STAMP TAX HAS BEEN PAID WITH THE RECORDING OF THE CONTINUING COLLATERAL MORTGAGE SECURING THIS PROMISSORY NOTE.

H.K. HOTEL MANAGEMENT, LLC

By: [Signature] Its: Managing Member  
SIGNATURE OF

By: \_\_\_\_\_ Its: \_\_\_\_\_  
SIGNATURE OF TITLE (if applicable)

By: \_\_\_\_\_ Its: \_\_\_\_\_  
SIGNATURE OF TITLE (if applicable)

By: \_\_\_\_\_ Its: \_\_\_\_\_  
SIGNATURE OF TITLE (if applicable)

30900 Telegraph Road  
STREET ADDRESS

Bingham Farms  
CITY

Michigan  
STATE

48025  
ZIP

For Bank Use Only				CCAR#
LOAN OFFICER INITIALS	LOAN GROUP NAME	OBLIGOR NAME H.K. Hotel Management, LLC		
LOAN OFFICER ID. NO.	LOAN GROUP NO.	OBLIGOR NO.	NOTE NO.	AMOUNT \$3,185,000

As of December 6, 2006 the undersigned, for value received, unconditionally and absolutely guarantee(s) to Comerica Bank ("Bank"), a Michigan banking corporation, payment when due, whether by stated maturity, demand, acceleration or otherwise, of all existing and future indebtedness ("Indebtedness") to the Bank of H.K. Hotel Management, LLC ("Borrower"). Indebtedness includes without limit any and all obligations or liabilities of the Borrower to the Bank, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, known or unknown; any and all indebtedness, obligations or liabilities for which Borrower would otherwise be liable to the Bank were it not for the invalidity, irregularity or unenforceability of them by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason; any and all amendments, modifications, renewals and/or extensions of any of the above; and all costs of collecting Indebtedness, including, without limit, attorney fees. Any reference in this Guaranty to attorney fees shall be deemed a reference to reasonable fees, charges, costs and expenses of both in-house and outside counsel and paralegals, whether or not a suit or action is instituted, and to court costs if a suit or action is instituted, and whether attorney fees or court costs are incurred at the trial court level, on appeal, in a bankruptcy, administrative or probate proceeding or otherwise. All costs shall be payable immediately by the undersigned when incurred by the Bank, without demand, and until paid shall bear interest at the highest per annum rate applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by law.

1. **LIMITATION:** The total obligation of the undersigned under this Guaranty is **UNLIMITED** unless specifically limited in the Additional Provisions of this Guaranty, and this obligation (whether unlimited or limited to the extent specified in the Additional Provisions) shall include, IN ADDITION TO any limited amount of principal guaranteed, all interest on that limited amount, and all costs incurred by the Bank in collection efforts against the Borrower and/or the undersigned or otherwise incurred by the Bank in any way relating to the Indebtedness, or this Guaranty, including without limit attorney fees. The undersigned agree(s) that (a) this limitation shall not be a limitation on the amount of Borrower's Indebtedness to the Bank; (b) any payments by the undersigned shall not reduce the maximum liability of the undersigned under this Guaranty unless written notice to that effect is actually received by the Bank at, or prior to, the time of the payment; and (c) the liability of the undersigned to the Bank shall at all times be deemed to be the aggregate liability of the undersigned under this Guaranty and any other guaranties previously or subsequently given to the Bank by the undersigned and not expressly revoked, modified or invalidated in writing.
2. **NATURE OF GUARANTY:** This is a continuing Guaranty of payment and not of collection and remains effective whether the Indebtedness is from time to time reduced and later increased or entirely extinguished and later reincurred. This Guaranty shall terminate, subject to the provisions of Paragraph 7, upon irrevocable payment in full of all Indebtedness, termination of all commitments, if any, on the part of Bank to extend credit to Borrower and cancellation of all outstanding Liabilities. The undersigned deliver(s) this Guaranty based solely on the undersigned's independent investigation of (or decision not to investigate) the financial condition of Borrower and is (are) not relying on any information furnished by the Bank. The undersigned assume(s) full responsibility for obtaining any further information concerning the Borrower's financial condition, the status of the Indebtedness or any other matter which the undersigned may deem necessary or appropriate now or later. The undersigned knowingly accept(s) the full range of risk encompassed in this Guaranty, which risk includes, without limit, the possibility that Borrower may incur Indebtedness to the Bank after the financial condition of the Borrower, or the Borrower's ability to pay debts as they mature, has deteriorated.
3. **APPLICATION OF PAYMENTS:** The undersigned authorize(s) the Bank, either before or after termination of this Guaranty, without notice to or demand on the undersigned and without affecting the undersigned's liability under this Guaranty, from time to time to: (a) apply any security and direct the order or manner of sale; and (b) apply payments received by the Bank from the Borrower to any indebtedness of the Borrower to the Bank, in such order as the Bank shall determine in its sole discretion, whether or not this Indebtedness is covered by this Guaranty, and the undersigned waive(s) any provision of law regarding application of payments which specifies otherwise. The undersigned agree(s) to provide to the Bank copies of the undersigned's financial statements upon request.
4. **SECURITY:** The undersigned grant(s) to the Bank a security interest in and the right of setoff as to any and all property of the undersigned now or later in the possession of the Bank. The undersigned further assign(s) to the Bank as collateral for the obligations of the undersigned under this Guaranty all claims of any nature that the undersigned now or later has (have) against the Borrower (other than any claim under a deed of trust or mortgage covering California real property) with full right on the part of the Bank, in its own name or in the name of the undersigned, to collect and enforce these claims. The undersigned agree(s) that no security now or later held by

the Bank for the payment of any Indebtedness, whether from the Borrower, any guarantor, or otherwise, and whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, shall affect in any manner the unconditional obligation of the undersigned under this Guaranty, and the Bank, in its sole discretion, without notice to the undersigned, may release, exchange, enforce and otherwise deal with any security without affecting in any manner the unconditional obligation of the undersigned under this Guaranty. The undersigned acknowledge(s) and agree(s) that the Bank has no obligation to acquire or perfect any lien on or security interest in any asset(s), whether realty or personalty, to secure payment of the Indebtedness, and the undersigned is (are) not relying upon any asset(s) in which the Bank has or may have a lien or security interest for payment of the Indebtedness.

5. **OTHER GUARANTORS:** If any Indebtedness is guaranteed by two or more guarantors, the obligation of the undersigned shall be several and also joint, each with all and also each with any one or more of the others, and may be enforced at the option of the Bank against each severally, any two or more jointly, or some severally and some jointly. The Bank, in its sole discretion, may release any one or more of the guarantors for any consideration which it deems adequate, and may fail or elect not to prove a claim against the estate of any bankrupt, insolvent, incompetent or deceased guarantor; and after that, without notice to any guarantor, the Bank may extend or renew any or all Indebtedness and may permit the Borrower to incur additional Indebtedness, without affecting in any manner the unconditional obligation of the remaining guarantor(s). The undersigned acknowledge(s) that the effectiveness of this Guaranty is not conditioned on any or all of the Indebtedness being guaranteed by anyone else.
6. **TERMINATION:** Any of the undersigned may terminate their obligation under this Guaranty as to future Indebtedness (except as provided below) by (and only by) delivering written notice of termination to an officer of the Bank and receiving from an officer of the Bank written acknowledgment of delivery; provided, however, the termination shall not be effective until the opening of business on the fifth (5th) day ("effective date") following written acknowledgment of delivery. Any termination shall not affect in any way the unconditional obligations of the remaining guarantor(s), whether or not the termination is known to the remaining guarantor(s). Any termination shall not affect in any way the unconditional obligations of the terminating guarantor(s) as to any Indebtedness existing at the effective date of termination or any Indebtedness created after that pursuant to any commitment or agreement of the Bank or pursuant to any Borrower loan with the Bank existing at the effective date of termination (whether advances or readvances by the Bank after the effective date of termination are optional or obligatory), or any modifications, extensions or renewals of any of this Indebtedness, whether in whole or in part, and as to all of this Indebtedness and modifications, extensions or renewals of it, this Guaranty shall continue effective until the same shall have been fully paid. The Bank has no duty to give notice of termination by any guarantor(s) to any remaining guarantor(s). The undersigned shall indemnify the Bank against all claims, damages, costs and expenses, including, without limit, attorney fees, incurred by the Bank in connection with any suit, claim or action against the Bank arising out of any modification or termination of a Borrower loan or any refusal by the Bank to extend additional credit in connection with the termination of this Guaranty.
7. **REINSTATEMENT:** Notwithstanding any prior revocation, termination, surrender or discharge of this Guaranty (or of any lien, pledge or security interest securing this Guaranty) in whole or in part, the effectiveness of this Guaranty, and of all liens, pledges and security interests securing this Guaranty, shall automatically continue or be reinstated in the event that any payment received or credit given by the Bank in respect of the Indebtedness is returned, disgorged or rescinded under any applicable state or federal law, including, without limitation, laws pertaining to bankruptcy or insolvency, in which case this Guaranty, and all liens, pledges and security interests securing this Guaranty, shall be enforceable against the undersigned as if the returned, disgorged or rescinded payment or credit had not been received or given by the Bank, and whether or not the Bank relied upon this payment or credit or changed its position as a consequence of it. In the event of continuation or reinstatement of this Guaranty and the liens, pledges and security interests securing it, the undersigned agree(s) upon demand by the Bank, to execute and deliver to the Bank those documents which the Bank determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of the undersigned to do so shall not affect in any way the reinstatement or continuation. If the undersigned do(es) not execute and deliver to the Bank upon demand such documents, the Bank and each Bank officer is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of the undersigned (with full power of substitution) to execute and deliver such documents in the name and on behalf of the undersigned.
8. **WAIVERS:** The undersigned, to the extent not expressly prohibited by applicable law, waive(s) any right to require the Bank to: (a) proceed against any person or property; (b) give notice of the terms, time and place of any public or private sale of personal property security held from the Borrower or any other person, or otherwise

comply with the provisions of Sections 9-611 or 9-621 of the Michigan or other applicable Uniform Commercial Code, as the same may be amended, revised or replaced from time to time; or (c) pursue any other remedy in the Bank's power. The undersigned waive(s) notice of acceptance of this Guaranty and presentment, demand, protest, notice of protest, dishonor, notice of dishonor, notice of default, notice of intent to accelerate or demand payment of any Indebtedness, any and all other notices to which the undersigned might otherwise be entitled, and diligence in collecting any Indebtedness, and agree(s) that the Bank may, once or any number of times, modify the terms of any Indebtedness, compromise, extend, increase, accelerate, renew or forbear to enforce payment of any or all Indebtedness, or permit the Borrower to incur additional Indebtedness, all without notice to the undersigned and without affecting in any manner the unconditional obligation of the undersigned under this Guaranty.

The undersigned unconditionally and irrevocably waive(s) each and every defense and setoff of any nature which, under principles of guaranty or otherwise, would operate to impair or diminish in any way the obligation of the undersigned under this Guaranty, and acknowledge(s) that each such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from the undersigned now or later securing this Guaranty and/or the Indebtedness, and acknowledge(s) that as of the date of this Guaranty no such defense or setoff exists.

9. **WAIVER OF SUBROGATION:** The undersigned waive(s) any and all rights (whether by subrogation, indemnity, reimbursement, or otherwise) to recover from the Borrower any amounts paid by the undersigned pursuant to this Guaranty.
10. **SALE/ASSIGNMENT:** The undersigned acknowledge(s) that the Bank has the right to sell, assign, transfer, negotiate, or grant participations in all or any part of the Indebtedness and any related obligations, including, without limit, this Guaranty, without notice to the undersigned and that the Bank may disclose any documents and information which the Bank now has or later acquires relating to the undersigned or to the Borrower in connection with such sale, assignment, transfer, negotiation, or grant so long as the recipient is obligated to hold such information confidential to the same extent the Bank is required to do so. The undersigned agree(s) that the Bank may provide information relating to this Guaranty or relating to the undersigned to the Bank's parent, affiliates, subsidiaries and service providers.
11. **GENERAL:** This Guaranty constitutes the entire agreement of the undersigned and the Bank with respect to the subject matter of this Guaranty. No waiver, consent, modification or change of the terms of the Guaranty shall bind any of the undersigned or the Bank unless in writing and signed by the waiving party or an authorized officer of the waiving party, and then this waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. This Guaranty shall inure to the benefit of the Bank and its successors and assigns and shall be binding on the undersigned and the undersigned's heirs, legal representatives, successors and assigns including, without limit, any debtor in possession or trustee in bankruptcy for any of the undersigned. The undersigned has (have) knowingly and voluntarily entered into this Guaranty in good faith for the purpose of inducing the Bank to extend credit or make other financial accommodations to the Borrower. If any provision of this Guaranty is unenforceable in whole or in part for any reason, the remaining provisions shall continue to be effective. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.
12. **HEADINGS:** Headings in this Agreement are included for the convenience of reference only and shall not constitute a part of this Agreement for any purpose.
13. **ADDITIONAL PROVISIONS:** None.
14. **JURY TRIAL WAIVER:** THE UNDERSIGNED AND BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS GUARANTY OR THE INDEBTEDNESS.

IN WITNESS WHEREOF, Guarantor(s) has (have) signed and delivered this Guaranty the day and year first written above.



WITNESSES.

  
SIGNATURE OF MICHAEL D. MALAGA

\_\_\_\_\_  
SIGNATURE OF

GUARANTOR(S):

HANNA KARCHO-POLSELLI

  
SIGNATURE OF HANNA KARCHO-POLSELLI

GUARANTOR'S ADDRESS:

30800 Telegraph Road

STREET ADDRESS

Bingham Farms.

CITY

Michigan

STATE

48025

ZIP CODE



Variable Rate - Installment Note

AMOUNT	NOTE DATE	MATURITY DATE	TAX IDENTIFICATION NUMBER
\$1,000,000	December 6, 2006	December 1, 2011	

**FOR VALUE RECEIVED**, the undersigned promise(s) to pay to the order of COMERICA BANK ("Bank"), at any office of the Bank in the State of Michigan, One Million Dollars (U.S.) in installments of \$100,000 each **PLUS** interest on the unpaid balance from the date of this Note at a per annum rate equal to the Bank's prime rate from time to time in effect less ¾% per annum until maturity, whether by acceleration or otherwise, or until Default, as later defined, and after that at a default rate equal to the rate of interest otherwise prevailing under this Note plus 2% per annum (but in no event in excess of the maximum rate permitted by law). Interest shall be calculated for the actual number of days the principal is outstanding on the basis of a 360-day year if this Note evidences a business or commercial loan or a 365-day year if a consumer loan. The Bank's "prime rate" is that annual rate of interest so designated by the Bank and which is changed by the Bank from time to time. Interest rate changes will be effective for interest computation purposes as and when the Bank's prime rate changes. Installments of accrued interest due under this Note shall be payable on the first day of each month, commencing January 2, 2007. Installments of principal due under this Note shall be payable on November 1 of each year, commencing November 1, 2007, and the entire remaining unpaid balance of principal and accrued interest shall be payable on the Maturity Date set forth above. If the frequency of principal and interest installments is not otherwise specified, installments of principal and interest due under this Note shall be payable monthly on the first day of each month.

In the event the periodic installments set forth above are inclusive of interest, these installments are calculated at an assumed fixed interest rate and an assumed amortization term. The amortization term ends on \_\_\_\_\_ (if left blank, the amortization term ends on the Maturity Date). In the event this Note evidences a business or commercial loan and the Bank's prime rate changes, the Bank, at its sole option, may from time to time recalculate the periodic installment amount so that the remaining periodic installments will fully amortize the remaining loan balance within the remaining amortization term in equal installments at the interest rate then being charged under this Note. **THE UNDERSIGNED AGREE(S) TO PAY THE PERIODIC INSTALLMENTS AS THEY MAY BE RECALCULATED BY THE BANK FROM TIME TO TIME AND ACKNOWLEDGE(S) THAT A RECALCULATION SHALL NOT AFFECT THE MATURITY DATE OR THE OTHER TERMS AND PROVISIONS OF THIS NOTE.** If this Note or any installment under this Note shall become payable on a day other than a day on which the Bank is open for business, this payment may be extended to the next succeeding business day and interest shall be payable at the rate specified in this Note during this extension. Any payments of principal in excess of the installment payments required under this Note need not be accepted by the Bank (except as required under applicable law), but if accepted shall apply to the installments last falling due. A late installment charge equal to 5% of each late installment may be charged on any installment payment not received by the Bank within 10 calendar days after the installment due date, but acceptance of payment of this charge shall not waive any Default under this Note.

This Note and any other indebtedness and liabilities of any kind of the undersigned (or any of them) to the Bank, and any and all modifications, renewals or extensions of it, whether joint or several, contingent or absolute, now existing or later arising, and however evidenced (collectively "Indebtedness") are secured by and the Bank is granted a security interest in all items deposited in any account of any of the undersigned with the Bank and by all proceeds of these items (cash or otherwise), all account balances of any of the undersigned from time to time with the Bank, by all property of any of the undersigned from time to time in the possession of the Bank and by any other collateral, rights and properties described in each and every deed of trust, mortgage, security agreement, pledge, assignment and other agreement which has been, or will at any time(s) later be, executed by any (or all) of the undersigned to or for the benefit of the Bank (collectively "Collateral"). Notwithstanding the above, (i) to the extent that any portion of the Indebtedness is a consumer loan, that portion shall not be secured by any deed of trust or mortgage or other security interest in any of the undersigned's principal dwelling or in any of the undersigned's real property which is not a purchase money security interest as to that portion, unless expressly provided to the contrary in another place, or (ii) if the undersigned (or any of them) has(have) given or give(s) Bank a deed of trust or mortgage covering California real property, that deed of trust or mortgage shall not secure this Note or any other Indebtedness of the undersigned (or any of them), unless expressly provided to the contrary in another place.

If the undersigned (or any of them) or any guarantor under a guaranty of all or part of the Indebtedness ("guarantor") (i) fail(s) to pay this Note or any of the Indebtedness when due, by maturity, acceleration or otherwise, or fail(s) to pay any Indebtedness owing on a demand basis upon demand; or (ii) fail(s) to comply with any of the terms or provisions of any

agreement between the undersigned (or any of them) or any guarantor and the Bank; or (iii) become(s) insolvent or the subject of a voluntary or involuntary proceeding in bankruptcy, or a reorganization, arrangement or creditor composition proceeding, (if a business entity) cease(s) doing business as a going concern, (if a natural person) die(s) or become(s) incompetent, (if a partnership) dissolve(s) or any general partner of it dies, becomes incompetent or becomes the subject of a bankruptcy proceeding or (if a corporation or a limited liability company) is the subject of a dissolution, merger or consolidation; or (a) if any warranty or representation made by any of the undersigned or any guarantor in connection with this Note or any of the indebtedness shall be discovered to be untrue or incomplete; or (b) if there is any termination, notice of termination, or breach of any guaranty, pledge, collateral assignment or subordination agreement relating to all or any part of the indebtedness; or (c) if there is any failure by any of the undersigned or any guarantor to pay when due any of its indebtedness (other than to the Bank) or in the observance or performance of any term, covenant or condition in any document evidencing, securing or relating to such indebtedness; or (d) if the Bank deems itself insecure, believing that the prospect of payment of this Note or any of the indebtedness is impaired or shall fear deterioration, removal or waste of any of the Collateral; or (e) if there is filed or issued a levy or writ of attachment or garnishment or other like judicial process upon the undersigned (or any of them) or any guarantor or any of the Collateral, including without limit, any accounts of the undersigned (or any of them) or any guarantor with the Bank, then the Bank, upon the occurrence of any of these events (each a "Default"), may at its option and without prior notice to the undersigned (or any of them), declare any or all of the indebtedness to be immediately due and payable (notwithstanding any provisions contained in the evidence thereof to the contrary), sell or liquidate all or any portion of the Collateral, set off against the indebtedness any amounts owing by the Bank to the undersigned (or any of them), charge interest at the default rate provided in the document evidencing the relevant indebtedness and exercise any one or more of the rights and remedies granted to the Bank by any agreement with the undersigned (or any of them) or given to it under applicable law. All payments under this Note shall be in immediately available United States funds, without setoff or counterclaim.

If this Note is signed by two or more parties (whether by all as makers or by one or more as an accommodation party or otherwise), the obligations and undertakings under this Note shall be that of all and any two or more jointly and also of each severally. This Note shall bind the undersigned, and the undersigned's respective heirs, personal representatives, successors and assigns.

The undersigned waive(s) presentment, demand, protest, notice of dishonor, notice of demand or intent to demand, notice of acceleration or intent to accelerate, and all other notices and agree(s) that no extension or indulgence to the undersigned (or any of them) or release, substitution or nonenforcement of any security, or release or substitution of any of the undersigned, any guarantor or any other party, whether with or without notice, shall affect the obligations of any of the undersigned. The undersigned waive(s) all defenses or right to discharge available under Section 3-605 of the Michigan Uniform Commercial Code and waive(s) all other suretyship defenses or right to discharge. The undersigned agree(s) that the Bank has the right to sell, assign, or grant participations or any interest in, any or all of the indebtedness, and that, in connection with this right, but without limiting its ability to make other disclosures to the full extent allowable, the Bank may disclose all documents and information which the Bank now or later has relating to the undersigned or the indebtedness. The undersigned agree(s) that the Bank may provide information relating to this Note or relating to the undersigned to the Bank's parent, affiliates, subsidiaries and service providers.

The undersigned agree(s) to reimburse the holder or owner of this Note upon demand for any and all reasonable costs and expenses (including without limit, court costs, legal expenses and reasonable attorney fees, whether inside or outside counsel is used, whether or not suit is instituted and, if suit is instituted, whether at the trial court level, appellate level, in a bankruptcy, probate or administrative proceeding or otherwise) incurred in collecting or attempting to collect this Note or incurred in any other matter or proceeding relating to this Note.

The undersigned acknowledge(s) and agree(s) that there are no contrary agreements, oral or written, establishing a term of this Note and agree(s) that the terms and conditions of this Note may not be amended, waived or modified except in a writing signed by an officer of the Bank expressly stating that the writing constitutes an amendment, waiver or modification of the terms of this Note. As used in this Note, the word "undersigned" means, individually and collectively, each maker, accommodation party, indorser and other party signing this Note in a similar capacity. If any provision of this Note is unenforceable in whole or part for any reason, the remaining provisions shall continue to be effective. THIS NOTE IS MADE IN THE STATE OF MICHIGAN AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

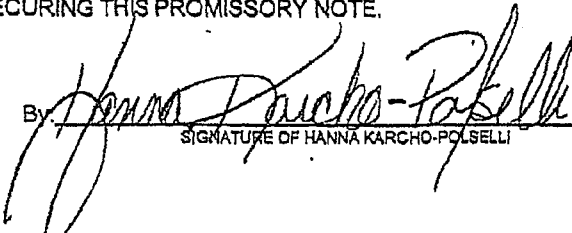
THE MAXIMUM INTEREST RATE SHALL NOT EXCEED 25% PER ANNUM, OR THE HIGHEST APPLICABLE USURY CEILING, WHICHEVER IS LESS.

THE UNDERSIGNED AND THE BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS NOTE OR THE INDEBTEDNESS.

THE PROPER FLORIDA DOCUMENTARY STAMP TAX HAS BEEN PAID WITH THE RECORDING OF THE CONTINUING COLLATERAL MORTGAGE SECURING THIS PROMISSORY NOTE.

HANNA KARCHO-POLSELLI

By

  
SIGNATURE OF HANNA KARCHO-POLSELLI

30900 Telegraph Road  
STREET ADDRESS

Bingham Farms  
CITY

Michigan  
STATE

48025  
ZIP

For Bank Use Only				CCAR#
LOAN OFFICER INITIALS	LOAN GROUP NAME	OBLIGOR NAME Hanna Karcho-Polselli		
LOAN OFFICER ID. NO.	LOAN GROUP NO.	OBLIGOR NO.	NOTE NO.	AMOUNT \$1,000,000



## Guaranty

As of December 12, 2006 the undersigned, for value received, unconditionally and absolutely guarantee(s) to Comerica Bank ("Bank"), a Michigan banking corporation, payment when due, whether by stated maturity, demand, acceleration or otherwise, of all existing and future indebtedness ("Indebtedness") to the Bank of Hanna Karcho-Polselli ("Borrower"). Indebtedness includes without limit any and all obligations or liabilities of the Borrower to the Bank, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, known or unknown; any and all indebtedness, obligations or liabilities for which Borrower would otherwise be liable to the Bank were it not for the invalidity, irregularity or unenforceability of them by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason; any and all amendments, modifications, renewals and/or extensions of any of the above; and all costs of collecting Indebtedness, including, without limit, attorney fees. Any reference in this Guaranty to attorney fees shall be deemed a reference to reasonable fees, charges, costs and expenses of both in-house and outside counsel and paralegals, whether or not a suit or action is instituted, and to court costs if a suit or action is instituted, and whether attorney fees or court costs are incurred at the trial court level, on appeal, in a bankruptcy, administrative or probate proceeding or otherwise. All costs shall be payable immediately by the undersigned when incurred by the Bank, without demand, and until paid shall bear interest at the highest per annum rate applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by law.

1. **LIMITATION:** The total obligation of the undersigned under this Guaranty is **UNLIMITED** unless specifically limited in the Additional Provisions of this Guaranty, and this obligation (whether unlimited or limited to the extent specified in the Additional Provisions) shall include, IN ADDITION TO any limited amount of principal guaranteed, all interest on that limited amount, and all costs incurred by the Bank in collection efforts against the Borrower and/or the undersigned or otherwise incurred by the Bank in any way relating to the Indebtedness, or this Guaranty, including without limit attorney fees. The undersigned agree(s) that (a) this limitation shall not be a limitation on the amount of Borrower's Indebtedness to the Bank; (b) any payments by the undersigned shall not reduce the maximum liability of the undersigned under this Guaranty unless written notice to that effect is actually received by the Bank at, or prior to, the time of the payment; and (c) the liability of the undersigned to the Bank shall at all times be deemed to be the aggregate liability of the undersigned under this Guaranty and any other guaranties previously or subsequently given to the Bank by the undersigned and not expressly revoked, modified or invalidated in writing.
2. **NATURE OF GUARANTY:** This is a continuing Guaranty of payment and not of collection and remains effective whether the Indebtedness is from time to time reduced and later increased or entirely extinguished and later reincurred. This Guaranty shall terminate, subject to the provisions of Paragraph 7, upon irrevocable payment in full of all Indebtedness, termination of all commitments, if any, on the part of Bank to extend credit to Borrower and cancellation of all outstanding Liabilities. The undersigned deliver(s) this Guaranty based solely on the undersigned's independent investigation of (or decision not to investigate) the financial condition of Borrower and is (are) not relying on any information furnished by the Bank. The undersigned assume(s) full responsibility for obtaining any further information concerning the Borrower's financial condition, the status of the Indebtedness or any other matter which the undersigned may deem necessary or appropriate now or later. The undersigned knowingly accept(s) the full range of risk encompassed in this Guaranty, which risk includes, without limit, the possibility that Borrower may incur Indebtedness to the Bank after the financial condition of the Borrower, or the Borrower's ability to pay debts as they mature, has deteriorated.
3. **APPLICATION OF PAYMENTS:** The undersigned authorize(s) the Bank, either before or after termination of this Guaranty, without notice to or demand on the undersigned and without affecting the undersigned's liability under this Guaranty, from time to time to: (a) apply any security and direct the order or manner of sale; and (b) apply payments received by the Bank from the Borrower to any indebtedness of the Borrower to the Bank, in such order as the Bank shall determine in its sole discretion, whether or not this indebtedness is covered by this Guaranty, and the undersigned waive(s) any provision of law regarding application of payments which specifies otherwise. The undersigned agree(s) to provide to the Bank copies of the undersigned's financial statements upon request.
4. **SECURITY:** The undersigned grant(s) to the Bank a security interest in and the right of setoff as to any and all property of the undersigned now or later in the possession of the Bank. The undersigned further assign(s) to the Bank as collateral for the obligations of the undersigned under this Guaranty all claims of any nature that the undersigned now or later has (have) against the Borrower (other than any claim under a deed of trust or mortgage covering California real property) with full right on the part of the Bank, in its own name or in the name of the undersigned, to collect and enforce these claims. The undersigned agree(s) that no security now or later held by

the Bank for the payment of any Indebtedness, whether from the Borrower, any guarantor, or otherwise, and whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, shall affect in any manner the unconditional obligation of the undersigned under this Guaranty, and the Bank, in its sole discretion, without notice to the undersigned, may release, exchange, enforce and otherwise deal with any security without affecting in any manner the unconditional obligation of the undersigned under this Guaranty. The undersigned acknowledge(s) and agree(s) that the Bank has no obligation to acquire or perfect any lien on or security interest in any asset(s), whether realty or personalty, to secure payment of the Indebtedness, and the undersigned is (are) not relying upon any asset(s) in which the Bank has or may have a lien or security interest for payment of the Indebtedness.

5. **OTHER GUARANTORS:** If any Indebtedness is guaranteed by two or more guarantors, the obligation of the undersigned shall be several and also joint, each with all and also each with any one or more of the others, and may be enforced at the option of the Bank against each severally, any two or more jointly, or some severally and some jointly. The Bank, in its sole discretion, may release any one or more of the guarantors for any consideration which it deems adequate, and may fail or elect not to prove a claim against the estate of any bankrupt, insolvent, incompetent or deceased guarantor; and after that, without notice to any guarantor, the Bank may extend or renew any or all Indebtedness and may permit the Borrower to incur additional Indebtedness, without affecting in any manner the unconditional obligation of the remaining guarantor(s). The undersigned acknowledge(s) that the effectiveness of this Guaranty is not conditioned on any or all of the Indebtedness being guaranteed by anyone else.
6. **TERMINATION:** Any of the undersigned may terminate their obligation under this Guaranty as to future Indebtedness (except as provided below) by (and only by) delivering written notice of termination to an officer of the Bank and receiving from an officer of the Bank written acknowledgment of delivery; provided, however, the termination shall not be effective until the opening of business on the fifth (5th) day ("effective date") following written acknowledgment of delivery. Any termination shall not affect in any way the unconditional obligations of the remaining guarantor(s), whether or not the termination is known to the remaining guarantor(s). Any termination shall not affect in any way the unconditional obligations of the terminating guarantor(s) as to any Indebtedness existing at the effective date of termination or any Indebtedness created after that pursuant to any commitment or agreement of the Bank or pursuant to any Borrower loan with the Bank existing at the effective date of termination (whether advances or readvances by the Bank after the effective date of termination are optional or obligatory), or any modifications, extensions or renewals of any of this Indebtedness, whether in whole or in part, and as to all of this Indebtedness and modifications, extensions or renewals of it, this Guaranty shall continue effective until the same shall have been fully paid. The Bank has no duty to give notice of termination by any guarantor(s) to any remaining guarantor(s). The undersigned shall indemnify the Bank against all claims, damages, costs and expenses, including, without limit, attorney fees, incurred by the Bank in connection with any suit, claim or action against the Bank arising out of any modification or termination of a Borrower loan or any refusal by the Bank to extend additional credit in connection with the termination of this Guaranty.
7. **REINSTATEMENT:** Notwithstanding any prior revocation, termination, surrender or discharge of this Guaranty (or of any lien, pledge or security interest securing this Guaranty) in whole or in part, the effectiveness of this Guaranty, and of all liens, pledges and security interests securing this Guaranty, shall automatically continue or be reinstated in the event that any payment received or credit given by the Bank in respect of the Indebtedness is returned, disgorged or rescinded under any applicable state or federal law, including, without limitation, laws pertaining to bankruptcy or insolvency, in which case this Guaranty, and all liens, pledges and security interests securing this Guaranty, shall be enforceable against the undersigned as if the returned, disgorged or rescinded payment or credit had not been received or given by the Bank, and whether or not the Bank relied upon this payment or credit or changed its position as a consequence of it. In the event of continuation or reinstatement of this Guaranty and the liens, pledges and security interests securing it, the undersigned agree(s) upon demand by the Bank, to execute and deliver to the Bank those documents which the Bank determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of the undersigned to do so shall not affect in any way the reinstatement or continuation. If the undersigned do(es) not execute and deliver to the Bank upon demand such documents, the Bank and each Bank officer is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of the undersigned (with full power of substitution) to execute and deliver such documents in the name and on behalf of the undersigned.
8. **WAIVERS:** The undersigned, to the extent not expressly prohibited by applicable law, waive(s) any right to require the Bank to: (a) proceed against any person or property; (b) give notice of the terms, time and place of any public or private sale of personal property security held from the Borrower or any other person, or otherwise

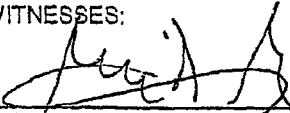
comply with the provisions of Sections 9-611 or 9-621 of the Michigan or other applicable Uniform Commercial Code, as the same may be amended, revised or replaced from time to time; or (c) pursue any other remedy in the Bank's power. The undersigned waive(s) notice of acceptance of this Guaranty and presentment, demand, protest, notice of protest, dishonor, notice of dishonor, notice of default, notice of intent to accelerate or demand payment of any indebtedness, any and all other notices to which the undersigned might otherwise be entitled, and diligence in collecting any indebtedness, and agree(s) that the Bank may, once or any number of times, modify the terms of any indebtedness, compromise, extend, increase, accelerate, renew or forbear to enforce payment of any or all indebtedness, or permit the Borrower to incur additional indebtedness, all without notice to the undersigned and without affecting in any manner the unconditional obligation of the undersigned under this Guaranty.

The undersigned unconditionally and irrevocably waive(s) each and every defense and setoff of any nature which, under principles of guaranty or otherwise, would operate to impair or diminish in any way the obligation of the undersigned under this Guaranty, and acknowledge(s) that each such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from the undersigned now or later securing this Guaranty and/or the indebtedness, and acknowledge(s) that as of the date of this Guaranty no such defense or setoff exists.

9. **WAIVER OF SUBROGATION:** The undersigned waive(s) any and all rights (whether by subrogation, indemnity, reimbursement, or otherwise) to recover from the Borrower any amounts paid by the undersigned pursuant to this Guaranty.
10. **SALE/ASSIGNMENT:** The undersigned acknowledge(s) that the Bank has the right to sell, assign, transfer, negotiate, or grant participations in all or any part of the indebtedness and any related obligations, including, without limit, this Guaranty, without notice to the undersigned and that the Bank may disclose any documents and information which the Bank now has or later acquires relating to the undersigned or to the Borrower in connection with such sale, assignment, transfer, negotiation, or grant so long as the recipient is obligated to hold such information confidential to the same extent the Bank is required to do so. The undersigned agree(s) that the Bank may provide information relating to this Guaranty or relating to the undersigned to the Bank's parent, affiliates, subsidiaries and service providers.
11. **GENERAL:** This Guaranty constitutes the entire agreement of the undersigned and the Bank with respect to the subject matter of this Guaranty. No waiver, consent, modification or change of the terms of the Guaranty shall bind any of the undersigned or the Bank unless in writing and signed by the waiving party or an authorized officer of the waiving party, and then this waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. This Guaranty shall inure to the benefit of the Bank and its successors and assigns and shall be binding on the undersigned and the undersigned's heirs, legal representatives, successors and assigns including, without limit, any debtor in possession or trustee in bankruptcy for any of the undersigned. The undersigned has (have) knowingly and voluntarily entered into this Guaranty in good faith for the purpose of inducing the Bank to extend credit or make other financial accommodations to the Borrower. If any provision of this Guaranty is unenforceable in whole or in part for any reason, the remaining provisions shall continue to be effective. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.**
12. **HEADINGS:** Headings in this Agreement are included for the convenience of reference only and shall not constitute a part of this Agreement for any purpose.
13. **ADDITIONAL PROVISIONS:** None.
14. **JURY TRIAL WAIVER:** THE UNDERSIGNED AND BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS GUARANTY OR THE INDEBTEDNESS.

IN WITNESS WHEREOF, Guarantor(s) has (have) signed and delivered this Guaranty the day and year first written above.

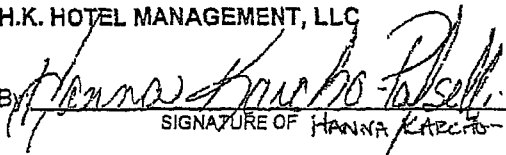
WITNESSES:

  
SIGNATURE OF MICHAEL D. MALAGA

SIGNATURE OF \_\_\_\_\_

GUARANTOR(S):

H.K. HOTEL MANAGEMENT, LLC

By   
SIGNATURE OF HANNA KARCUS-POLSKI

Its: MANAGING MEMBER  
TITLE (IF APPLICABLE)

- By: \_\_\_\_\_  
SIGNATURE OF

Its: \_\_\_\_\_  
TITLE (IF APPLICABLE)

GUARANTOR'S ADDRESS:

30800 Telegraph Road  
STREET ADDRESS

Bingham Farms. Michigan 48025  
CITY STATE ZIP CODE





## Guaranty

As of December 12, 2006 the undersigned, for value received, unconditionally and absolutely guarantee(s) to Comerica Bank ("Bank"), a Michigan banking corporation, payment when due, whether by stated maturity, demand, acceleration or otherwise, of all existing and future indebtedness ("Indebtedness") to the Bank of Hanna Karcho-Polselli and H.K. Hotel Management, LLC (individually and collectively, the "Borrower"). Indebtedness includes without limit any and all obligations or liabilities of the Borrower to the Bank, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, known or unknown; any and all indebtedness, obligations or liabilities for which Borrower would otherwise be liable to the Bank were it not for the invalidity, irregularity or unenforceability of them by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason; any and all amendments, modifications, renewals and/or extensions of any of the above; and all costs of collecting Indebtedness, including, without limit, attorney fees. Any reference in this Guaranty to attorney fees shall be deemed a reference to reasonable fees, charges, costs and expenses of both in-house and outside counsel and paralegals, whether or not a suit or action is instituted, and to court costs if a suit or action is instituted, and whether attorney fees or court costs are incurred at the trial court level, on appeal, in a bankruptcy, administrative or probate proceeding or otherwise. All costs shall be payable immediately by the undersigned when incurred by the Bank, without demand, and until paid shall bear interest at the highest per annum rate applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by law.

1. **LIMITATION:** The total obligation of the undersigned under this Guaranty is **UNLIMITED** unless specifically limited in the Additional Provisions of this Guaranty, and this obligation (whether unlimited or limited to the extent specified in the Additional Provisions) shall include, IN ADDITION TO any limited amount of principal guaranteed, all interest on that limited amount, and all costs incurred by the Bank in collection efforts against the Borrower and/or the undersigned or otherwise incurred by the Bank in any way relating to the Indebtedness, or this Guaranty, including without limit attorney fees. The undersigned agree(s) that (a) this limitation shall not be a limitation on the amount of Borrower's Indebtedness to the Bank; (b) any payments by the undersigned shall not reduce the maximum liability of the undersigned under this Guaranty unless written notice to that effect is actually received by the Bank at, or prior to, the time of the payment; and (c) the liability of the undersigned to the Bank shall at all times be deemed to be the aggregate liability of the undersigned under this Guaranty and any other guaranties previously or subsequently given to the Bank by the undersigned and not expressly revoked, modified or invalidated in writing.
2. **NATURE OF GUARANTY:** This is a continuing Guaranty of payment and not of collection and remains effective whether the Indebtedness is from time to time reduced and later increased or entirely extinguished and later reincurred. This Guaranty shall terminate, subject to the provisions of Paragraph 7, upon irrevocable payment in full of all Indebtedness, termination of all commitments, if any, on the part of Bank to extend credit to Borrower and cancellation of all outstanding Liabilities. The undersigned deliver(s) this Guaranty based solely on the undersigned's independent investigation of (or decision not to investigate) the financial condition of Borrower and is (are) not relying on any information furnished by the Bank. The undersigned assume(s) full responsibility for obtaining any further information concerning the Borrower's financial condition, the status of the Indebtedness or any other matter which the undersigned may deem necessary or appropriate now or later. The undersigned knowingly accept(s) the full range of risk encompassed in this Guaranty, which risk includes, without limit, the possibility that Borrower may incur Indebtedness to the Bank after the financial condition of the Borrower, or the Borrower's ability to pay debts as they mature, has deteriorated.
3. **APPLICATION OF PAYMENTS:** The undersigned authorize(s) the Bank, either before or after termination of this Guaranty, without notice to or demand on the undersigned and without affecting the undersigned's liability under this Guaranty, from time to time to: (a) apply any security and direct the order or manner of sale; and (b) apply payments received by the Bank from the Borrower to any indebtedness of the Borrower to the Bank, in such order as the Bank shall determine in its sole discretion, whether or not this indebtedness is covered by this Guaranty, and the undersigned waive(s) any provision of law regarding application of payments which specifies otherwise. The undersigned agree(s) to provide to the Bank copies of the undersigned's financial statements upon request.
4. **SECURITY:** The undersigned grant(s) to the Bank a security interest in and the right of setoff as to any and all property of the undersigned now or later in the possession of the Bank. The undersigned further assign(s) to the Bank as collateral for the obligations of the undersigned under this Guaranty all claims of any nature that the undersigned now or later has (have) against the Borrower (other than any claim under a deed of trust or mortgage

covering California real property) with full right on the part of the Bank, in its own name or in the name of the undersigned, to collect and enforce these claims. The undersigned agree(s) that no security now or later held by the Bank for the payment of any Indebtedness, whether from the Borrower, any guarantor, or otherwise, and whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, shall affect in any manner the unconditional obligation of the undersigned under this Guaranty, and the Bank, in its sole discretion, without notice to the undersigned, may release, exchange, enforce and otherwise deal with any security without affecting in any manner the unconditional obligation of the undersigned under this Guaranty. The undersigned acknowledge(s) and agree(s) that the Bank has no obligation to acquire or perfect any lien on or security interest in any asset(s), whether realty or personalty, to secure payment of the Indebtedness, and the undersigned is (are) not relying upon any asset(s) in which the Bank has or may have a lien or security interest for payment of the Indebtedness.

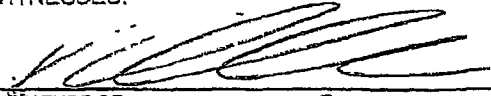
5. **OTHER GUARANTORS:** If any Indebtedness is guaranteed by two or more guarantors, the obligation of the undersigned shall be several and also joint, each with all and also each with any one or more of the others, and may be enforced at the option of the Bank against each severally, any two or more jointly, or some severally and some jointly. The Bank, in its sole discretion, may release any one or more of the guarantors for any consideration which it deems adequate, and may fail or elect not to prove a claim against the estate of any bankrupt, insolvent, incompetent or deceased guarantor; and after that, without notice to any guarantor, the Bank may extend or renew any or all Indebtedness and may permit the Borrower to incur additional Indebtedness, without affecting in any manner the unconditional obligation of the remaining guarantor(s). The undersigned acknowledge(s) that the effectiveness of this Guaranty is not conditioned on any or all of the Indebtedness being guaranteed by anyone else.
6. **TERMINATION:** Any of the undersigned may terminate their obligation under this Guaranty as to future Indebtedness (except as provided below) by (and only by) delivering written notice of termination to an officer of the Bank and receiving from an officer of the Bank written acknowledgment of delivery; provided, however, the termination shall not be effective until the opening of business on the fifth (5th) day ("effective date") following written acknowledgment of delivery. Any termination shall not affect in any way the unconditional obligations of the remaining guarantor(s), whether or not the termination is known to the remaining guarantor(s). Any termination shall not affect in any way the unconditional obligations of the terminating guarantor(s) as to any Indebtedness existing at the effective date of termination or any Indebtedness created after that pursuant to any commitment or agreement of the Bank or pursuant to any Borrower loan with the Bank existing at the effective date of termination (whether advances or readvances by the Bank after the effective date of termination are optional or obligatory), or any modifications, extensions or renewals of any of this Indebtedness, whether in whole or in part, and as to all of this Indebtedness and modifications, extensions or renewals of it, this Guaranty shall continue effective until the same shall have been fully paid. The Bank has no duty to give notice of termination by any guarantor(s) to any remaining guarantor(s). The undersigned shall indemnify the Bank against all claims, damages, costs and expenses, including, without limit, attorney fees, incurred by the Bank in connection with any suit, claim or action against the Bank arising out of any modification or termination of a Borrower loan or any refusal by the Bank to extend additional credit in connection with the termination of this Guaranty.
7. **REINSTATEMENT:** Notwithstanding any prior revocation, termination, surrender or discharge of this Guaranty (or of any lien, pledge or security interest securing this Guaranty) in whole or in part, the effectiveness of this Guaranty, and of all liens, pledges and security interests securing this Guaranty, shall automatically continue or be reinstated in the event that any payment received or credit given by the Bank in respect of the Indebtedness is returned, disgorged or rescinded under any applicable state or federal law, including, without limitation, laws pertaining to bankruptcy or insolvency, in which case this Guaranty, and all liens, pledges and security interests securing this Guaranty, shall be enforceable against the undersigned as if the returned, disgorged or rescinded payment or credit had not been received or given by the Bank, and whether or not the Bank relied upon this payment or credit or changed its position as a consequence of it. In the event of continuation or reinstatement of this Guaranty and the liens, pledges and security interests securing it, the undersigned agree(s) upon demand by the Bank, to execute and deliver to the Bank those documents which the Bank determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of the undersigned to do so shall not affect in any way the reinstatement or continuation. If the undersigned do(es) not execute and deliver to the Bank upon demand such documents, the Bank and each Bank officer is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of the undersigned (with full power of substitution) to execute and deliver such documents in the name and on behalf of the undersigned.

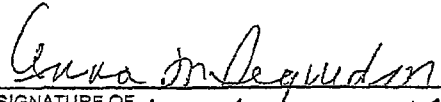
8. **WAIVERS:** The undersigned, to the extent not expressly prohibited by applicable law, waive(s) any right to require the Bank to: (a) proceed against any person or property; (b) give notice of the terms, time and place of any public or private sale of personal property security held from the Borrower or any other person, or otherwise comply with the provisions of Sections 9-611 or 9-621 of the Michigan or other applicable Uniform Commercial Code, as the same may be amended, revised or replaced from time to time; or (c) pursue any other remedy in the Bank's power. The undersigned waive(s) notice of acceptance of this Guaranty and presentment, demand, protest, notice of protest, dishonor, notice of dishonor, notice of default, notice of intent to accelerate or demand payment of any indebtedness, any and all other notices to which the undersigned might otherwise be entitled, and diligence in collecting any indebtedness, and agree(s) that the Bank may, once or any number of times, modify the terms of any indebtedness, compromise, extend, increase, accelerate, renew or forbear to enforce payment of any or all indebtedness, or permit the Borrower to incur additional indebtedness, all without notice to the undersigned and without affecting in any manner the unconditional obligation of the undersigned under this Guaranty.
- The undersigned unconditionally and irrevocably waive(s) each and every defense and setoff of any nature which, under principles of guaranty or otherwise, would operate to impair or diminish in any way the obligation of the undersigned under this Guaranty, and acknowledge(s) that each such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from the undersigned now or later securing this Guaranty and/or the indebtedness, and acknowledge(s) that as of the date of this Guaranty no such defense or setoff exists.
9. **WAIVER OF SUBROGATION:** The undersigned waive(s) any and all rights (whether by subrogation, indemnity, reimbursement, or otherwise) to recover from the Borrower any amounts paid by the undersigned pursuant to this Guaranty.
10. **SALE/ASSIGNMENT:** The undersigned acknowledge(s) that the Bank has the right to sell, assign, transfer, negotiate, or grant participations in all or any part of the indebtedness and any related obligations, including, without limit, this Guaranty, without notice to the undersigned and that the Bank may disclose any documents and information which the Bank now has or later acquires relating to the undersigned or to the Borrower in connection with such sale, assignment, transfer, negotiation, or grant so long as the recipient is obligated to hold such information confidential to the same extent the Bank is required to do so. The undersigned agree(s) that the Bank may provide information relating to this Guaranty or relating to the undersigned to the Bank's parent, affiliates, subsidiaries and service providers.
11. **GENERAL:** This Guaranty constitutes the entire agreement of the undersigned and the Bank with respect to the subject matter of this Guaranty. No waiver, consent, modification or change of the terms of the Guaranty shall bind any of the undersigned or the Bank unless in writing and signed by the waiving party or an authorized officer of the waiving party, and then this waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. This Guaranty shall inure to the benefit of the Bank and its successors and assigns and shall be binding on the undersigned and the undersigned's heirs, legal representatives, successors and assigns including, without limit, any debtor in possession or trustee in bankruptcy for any of the undersigned. The undersigned has (have) knowingly and voluntarily entered into this Guaranty in good faith for the purpose of inducing the Bank to extend credit or make other financial accommodations to the Borrower. If any provision of this Guaranty is unenforceable in whole or in part for any reason, the remaining provisions shall continue to be effective. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.**
12. **HEADINGS:** Headings in this Agreement are included for the convenience of reference only and shall not constitute a part of this Agreement for any purpose.
13. **ADDITIONAL PROVISIONS:** None.
14. **JURY TRIAL WAIVER:** THE UNDERSIGNED AND BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE

EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY  
RELATED TO, THIS GUARANTY OR THE INDEBTEDNESS.

IN WITNESS WHEREOF, Guarantor(s) has (have) signed and delivered this Guaranty the day and year first written above.

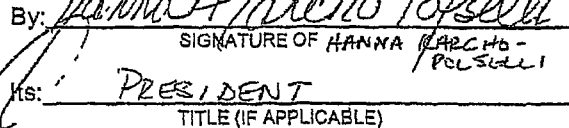
WITNESSES:

  
SIGNATURE OF Krystal L. Rappinn

  
SIGNATURE OF ANNA M. SIGURDSON

GUARANTOR(S):

TROPIC RANCH, INC.

By:   
SIGNATURE OF HANNA HUCHKO-TOPSELL  
Its: PRESIDENT  
TITLE (IF APPLICABLE)

By: \_\_\_\_\_  
SIGNATURE OF  
Its: \_\_\_\_\_  
TITLE (IF APPLICABLE)

GUARANTOR'S ADDRESS:

3000 Telegraph Road  
STREET ADDRESS

Bingham Farms, Michigan 48025  
CITY STATE ZIP CODE

June 9, 2010

H.K. Hotel Management, LLC  
Attn: Hanna Karcho-Polselli, Managing Member  
7557 West Sandlake Road  
Orlando, Florida 32819

Hanna Karcho-Polselli  
7557 West Sandlake Road  
Orlando, Florida 32819

Re: FINANCING ARRANGEMENTS AMONG COMERICA BANK ("BANK"), H.K. HOTEL MANAGEMENT, LLC ("H.K. HOTEL"), HANNA KARCHO-POLSELLI (IDENTIFIED COLLECTIVELY WITH H.K. HOTEL AS "BORROWERS") AND TROPIC RANCH, INC. ("TROPIC RANCH" AND IDENTIFIED COLLECTIVELY WITH H.K. HOTEL AND HANNA KARCHO-POLSELLI, AS "GUARANTORS")

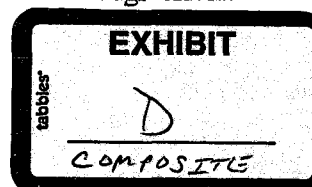
Dear Ms. Karcho-Polselli:

Please refer to any and all documents, instruments and agreements executed in connection with the financing arrangements from Bank to Borrowers and Guarantors (collectively, the "Loan Documents"). All amounts due from Borrowers to Bank, whether now or in the future, contingent, fixed, primary and/or secondary, including, but not limited to, principal, interest, inside and outside counsel fees, audit fees, costs, expenses and any and all other charges provided for in the Loan Documents shall be known, in the aggregate, as the "Liabilities." All capitalized terms not defined in this letter agreement ("Agreement") shall have the meanings described in the Loan Documents.

As of June 9, 2010, the Liabilities include, but are not limited to, the following:

<u>Loans (note amount and date)</u>	<u>Principal</u>	<u>Interest</u>	<u>Late Fees</u>
<b>H.K. Hotel Installment Loan</b> (\$3,185,000; 12/6/06)	\$2,725,335.79	\$6,160.01	\$2,235.04
<b>Hanna Karcho-Polselli</b> <b>Installment Loan</b> (\$1,000,000; 12/6/06)	\$698,914.13	\$1,579.13	\$162.74

These amounts are exclusive of interest accruing after June 9, 2010, letter of credit reimbursement obligation and costs and expenses (including, but not limited to, reasonable inside and outside counsel fees). The above amounts also do not include Bank's separate loans to Ocean 4660, LLC, which loans are not the subject of this Agreement.



Detroit\_1011910\_2

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
June 9, 2010  
Page 2

H.K. Hotel guaranties all obligations of Hanna Karcho-Polselli to Bank. Hanna Karcho-Polselli guaranties all obligations of H.K. Hotel to Bank. Tropic Ranch guaranties all obligations of H.K. Hotel and Hanna Karcho-Polselli to Bank.

Borrowers are in default under the Loan Documents. Without limitation:

- (a) Borrowers have failed to make principal and interest payments on the above-referenced Loans when due;
- (b) Tropic Ranch has failed to pay when due the 2008 and 2009 real property taxes with respect to the real property commonly known as 4560 El Mar Drive, Lauderdale by the Sea, Florida; and
- (c) H.K. Hotel and Hanna Karcho-Polselli have failed to maintain all bank accounts with Bank with an aggregate balance of not less than \$1,000,000.

Other defaults may exist.

The above-described loans are term obligations. As a result of and for the reasons outlined above, Bank accelerates the loans and demands payment in full of all of the Liabilities. By copy of this letter demand is also made of the Guarantors of the Liabilities.

Subject to timely, written acceptance by Borrowers and Guarantors of the following conditions, Bank is willing to forbear until July 30, 2010, subject to earlier termination as provided below, from further action to collect the Liabilities:

1. Borrowers and Guarantors acknowledge the Liabilities as set out in the Loan Documents, the amount of the Liabilities as stated above and the existence of the defaults. Borrowers and Guarantors acknowledge and agree that Bank's demand for repayment of the Liabilities is timely and proper.
2. Future administration of the Liabilities and the financing arrangements among Bank, Borrowers and Guarantors shall continue to be governed by the covenants, terms and conditions of the Loan Documents, which are ratified and confirmed and incorporated by this reference (for clarity, this includes, without limitation, a ratification and confirmation of all guaranties of the Liabilities by Guarantors), except to the extent that the Loan Documents have been superseded, amended, modified or supplemented by this Agreement or are inconsistent with this Agreement, then this Agreement shall govern.
3. Borrowers and Guarantors acknowledge Bank is under no obligation to advance funds or extend credit to Borrowers under the Loan Documents, or otherwise.
4. Notwithstanding Bank's demand of the Liabilities, (a) H.K. Hotel shall pay all accrued interest on the H.K. Hotel Installment Loan on the first (1<sup>st</sup>) day of each month, and (b)

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
June 9, 2010  
Page 3

Hanna Karcho-Polselli shall pay all accrued interest on the Hanna Karcho-Polselli Installment Loan on the first (1<sup>st</sup>) day of each month.

5. Interest on the Liabilities shall continue to accrue at the non-default rates specified in the Loan Documents. Upon the occurrence of a default under the terms of this Agreement or any further defaults under the Loan Documents, then principal outstanding on the H.K. Hotel Installment Loan and Hanna Karcho-Polselli Installment Loan shall accrue interest at the rate otherwise provided in this paragraph plus three percent (3%).
6. By no later than June 21, 2010, Tropic Ranch shall pay in full the 2008 real property taxes with respect to the real property located at 4560 El Mar Drive, Lauderdale by the Sea, Florida.
7. Concurrently with execution of this Agreement, with respect to the property located at 4560 El Mar Drive, Lauderdale by the Sea, Florida, Tropic Ranch shall (a) execute an updated Notice to Borrower of Property in Special Flood Hazard Area in the form attached, and (b) provide to Bank (if not already in Bank's possession) either (i) a copy of the flood insurance application, together with proof of payment of the premium, or (ii) a copy of the declarations page of the flood insurance policy.
8. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide for and they shall reimburse for any and all reasonable costs and expenses of Bank, including, but not limited to, all inside and outside counsel fees of Bank whether in relation to drafting, negotiating or enforcement or defense of the Loan Documents or this Agreement, including any preference or disgorgement actions as defined in this Agreement and all of Bank's audit fees, incurred by Bank in connection with the Liabilities, Bank's administration of the Liabilities and/or any efforts of Bank to collect or satisfy all or any part of the Liabilities. Borrowers and Guarantors shall immediately reimburse Bank for all of Bank's costs and expenses upon Bank's incurrence thereof or upon demand.
9. Loan payments, interest on the Liabilities, loan administration expenses, including, but not limited to, all inside and outside counsel fees of Bank and Bank's appraisal fees and audit fees, may be charged directly to any of Borrowers' accounts maintained with Bank.
10. Borrowers and Tropic Ranch will maintain all commercial accounts with Bank.
11. In addition to all reporting currently required by the Loan Documents, Borrowers shall provide Bank:
  - (a) By no later than June 21, 2010, updated personal financial statements (current as of no earlier than December 31, 2009) and current liquidity reports (current as of no earlier than March 31, 2010) for Hanna Karcho-Polselli and Remo Polselli;



H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
June 9, 2010  
Page 4

- (b) By no later than June 21, 2010, copies of the filed 2008 federal income tax returns (with all schedules) for all Borrowers and Guarantors;
  - (c) By no later than June 21, 2010, compiled financial statements for the year ending 2009 for H.K. Hotel and Tropic Ranch, including profit and loss statements and balance sheets (excluding, or separately reporting, financial information related to the Little Inn hotel which is not encumbered by a mortgage in favor of Bank);
  - (d) Within 20 days after and as of the end of each month, company-prepared operating statements in form satisfactory to Bank for H.K. Hotel and Tropic Ranch (excluding, or separately reporting, financial information related to the Little Inn hotel which is not encumbered by a mortgage in favor of Bank);
  - (e) By no later than June 21, 2010, cash flow budgets for H.K. Hotel and Tropic Ranch for the calendar year 2010 (excluding, or separately reporting, financial information related to the Little Inn hotel which is not encumbered by a mortgage in favor of Bank);
  - (f) By no later than June 21, 2010, a schedule in form and substance satisfactory to Bank of all hotels owned (directly or indirectly) by Hanna Karcho-Polselli or Remo Polselli with full detail on debt structure, cash flow and such other information as Bank may request and
  - (g) any other reporting reasonably requested by Bank.
12. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide and they shall permit Bank to conduct such fair market value appraisals, inspections, surveys and/or testing, whether for environmental contamination or otherwise, that Bank deems necessary, on any and all real and personal property upon which Bank may possess a mortgage or security interest securing the Liabilities, and the cost of such appraisals, inspections, surveys and testing are part of the costs and expenses for which the Borrowers and Guarantors must reimburse Bank.
13. Borrowers and Guarantors agree to execute any and all additional or supplemental documentation, and provide such further assistance and assurances as Bank may require, in Bank's sole and absolute discretion, to give full effect of the terms, conditions and intentions of this Agreement.
14. Notwithstanding anything to the contrary herein, Bank reserves the right, in its sole discretion, to determine the application of the proceeds of all unusual or extraordinary items (including, by way of example, insurance proceeds or sale proceeds, other than collection of accounts for inventory sold in the ordinary course of business) to the various obligations of Borrowers to Bank.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
June 9, 2010  
Page 5

15. To the extent any payment received by Bank is deemed a preference, fraudulent transfer or otherwise subject to disgorgement under applicable law, including bankruptcy or insolvency law, which requires the Bank to disgorge such payment then, such payment will be deemed to have never occurred and the Liabilities will be adjusted accordingly.
16. This Agreement shall be governed and controlled in all respects by the laws of the State of Michigan, without reference to its conflict of law provisions, including interpretation, enforceability, validity and construction.
17. Bank expressly reserves the right to exercise any or all rights and remedies provided under the Loan Documents and applicable law except as modified herein. Bank's failure to exercise immediately such rights and remedies shall not be construed as a waiver or modification of those rights or an offer of forbearance.
18. This Agreement will inure to the benefit of Bank and all its past, present and future parents, subsidiaries, affiliates, predecessors and successor corporations and all of their subsidiaries and affiliates.
19. Bank anticipates that discussions addressing the Liabilities may take place in the future. During the course of such discussions, Bank, Borrowers and Guarantors may touch upon and possibly reach a preliminary understanding on one or more issues prior to concluding negotiations. Notwithstanding this fact and absent an express written waiver by Bank, neither Bank nor any Borrower or Guarantor will be bound by an agreement on any individual issues unless and until an agreement is reduced to writing and signed by the applicable parties.
20. As of the date of this Agreement, there are no other offers outstanding from Bank to Borrowers and Guarantors. Any prior offer by Bank, whether oral or written is hereby rescinded in full. There are no oral agreements between Bank and Borrowers and Guarantors; any agreements concerning the Liabilities are expressed only in the existing Loan Documents. The duties and obligations of Borrowers and Guarantors and Bank shall be only as set forth in the Loan Documents and this Agreement, when executed by all parties.
21. Borrowers and Guarantors acknowledge that they have reviewed (or have had the opportunity to review) this Agreement with counsel of their choice and have executed this Agreement of their own free will and accord and without duress or coercion of any kind by Bank or any other person or entity.
22. **BORROWERS, GUARANTORS AND BANK ACKNOWLEDGE AND AGREE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF**

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
June 9, 2010  
Page 6

THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT, THE LOAN DOCUMENTS OR THE LIABILITIES.

23. DEFAULTS HAVE OCCURRED UNDER THE LOAN DOCUMENTS. BORROWERS AND GUARANTORS, TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, WAIVE ALL NOTICES THAT BANK MIGHT BE REQUIRED TO GIVE BUT FOR THIS WAIVER, INCLUDING ANY NOTICES OTHERWISE REQUIRED UNDER SECTION 6 OF ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AS ENACTED IN THE STATE OF MICHIGAN OR THE RELEVANT STATE CONCERNING THE APPLICABLE COLLATERAL (AND UNDER ANY SIMILAR RIGHTS TO NOTICE GRANTED IN ANY ENACTMENT OF REVISED ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE). FURTHERMORE, BORROWERS AND GUARANTORS WAIVE (A) THE RIGHT TO NOTIFICATION OF DISPOSITION OF THE COLLATERAL UNDER § 9-611 OF THE UNIFORM COMMERCIAL CODE, (B) THE RIGHT TO REQUIRE DISPOSITION OF THE COLLATERAL UNDER § 9-620(E) OF THE UNIFORM COMMERCIAL CODE, AND (C) ALL RIGHTS TO REDEEM ANY OF THE COLLATERAL UNDER § 9-623 OF THE UNIFORM COMMERCIAL CODE.
24. BORROWERS AND GUARANTORS, IN EVERY CAPACITY, INCLUDING, BUT NOT LIMITED TO, AS SHAREHOLDERS, PARTNERS, OFFICERS, DIRECTORS, INVESTORS AND/OR CREDITORS OF BORROWERS AND/OR GUARANTORS, OR ANY ONE OR MORE OF THEM, HEREBY WAIVE, DISCHARGE AND FOREVER RELEASE BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS, FROM AND OF ANY AND ALL CLAIMS, CAUSES OF ACTION, DEFENSES, COUNTERCLAIMS OR OFFSETS AND/OR ALLEGATIONS BORROWERS AND/OR GUARANTORS MAY HAVE OR MAY HAVE MADE OR WHICH ARE BASED ON FACTS OR CIRCUMSTANCES ARISING AT ANY TIME UP THROUGH AND INCLUDING THE DATE OF THIS AGREEMENT, WHETHER KNOWN OR UNKNOWN, AGAINST ANY OR ALL OF BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS.
25. This Agreement may be executed in counterparts and delivered by facsimile and the counterparts and/or facsimiles, when properly executed and delivered by the signing deadline, will constitute a fully executed complete agreement.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
June 9, 2010  
Page 7

26. Borrowers and Guarantors shall properly execute this Agreement and deliver same by facsimile so that it is received by the undersigned by no later than 5:00 p.m. on June 18, 2010 with the original to follow so that it is received by the undersigned by no later than June 22, 2010.

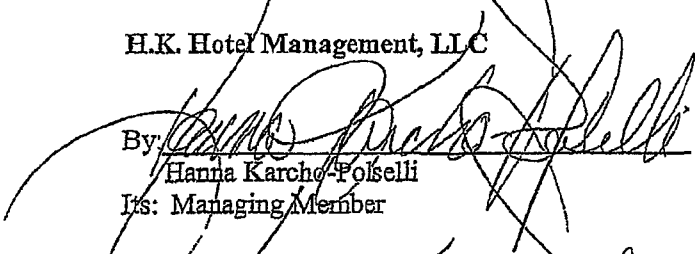
Bank reserves the right to terminate its forbearance prior to July 30, 2010, in the event of any new defaults under the Loan Documents, defaults under this Agreement, in the event of further deterioration in the financial condition of Borrowers or Guarantors or further deterioration in Bank's collateral position, and/or in the event Bank, for any reason, in good faith believes that the prospect of payment or performance is impaired.

Very truly yours,

Alan S. Blankstein  
Vice President  
Special Assets Group  
100 N.E. Third Avenue, Suite 600  
Fort Lauderdale, Florida 33301  
(954) 468-0667  
Fax: (954) 468-0664

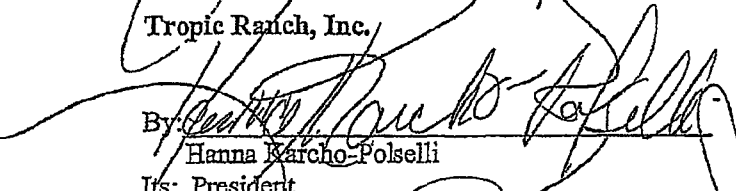
ACKNOWLEDGED AND AGREED:

H.K. Hotel Management, LLC


By:   
Hanna Karcho-Polselli  
Its: Managing Member

Date: June 19, 2010

Tropic Ranch, Inc.

By:   
Hanna Karcho-Polselli  
Its: President

Date: June 19, 2010

  
Hanna Karcho-Polselli

Date: June 19, 2010

September 3, 2010

H.K. Hotel Management, LLC  
Attn: Hanna Karcho-Polselli, Managing Member  
7557 West Sandlake Road  
Orlando, Florida 32819

Hanna Karcho-Polselli  
7557 West Sandlake Road  
Orlando, Florida 32819

Re: AGREEMENT DATED JUNE 9, 2010 (THE "FORBEARANCE AGREEMENT")  
AMONG COMERICA BANK ("BANK"), H.K. HOTEL MANAGEMENT, LLC  
("H.K. HOTEL"), HANNA KARCHO-POLSELLI (IDENTIFIED  
COLLECTIVELY WITH H.K. HOTEL AS "BORROWERS") AND TROPIC  
RANCH, INC. ("TROPIC RANCH" AND IDENTIFIED COLLECTIVELY WITH  
H.K. HOTEL AND HANNA KARCHO-POLSELLI, AS "GUARANTORS")

Dear Ms. Karcho-Polselli:

All capitalized terms not defined in this amendment to the Forbearance Agreement (the "Amendment") shall have the meanings set forth in the Forbearance Agreement (which constitutes a Loan Document) or the other Loan Documents.

As of September 3, 2010, the Liabilities include, but are not limited to, the following:

<u>Loans (note amount and date)</u>	<u>Principal</u>	<u>Interest</u>	<u>Late Fees</u>
<b>H.K. Hotel Installment Loan</b> (\$3,185,000; 12/6/06)	\$2,725,335.79	\$1,120.01	\$280.00
<b>Hanna Karcho-Polselli Installment Loan</b> (\$1,000,000; 12/6/06)	\$698,914.13	\$307.22	\$71.80

These amounts are exclusive of interest accruing after September 3, 2010, letter of credit reimbursement obligation and costs and expenses (including, but not limited to, reasonable inside and outside counsel fees). The above amounts also do not include Bank's separate loans to Ocean 4660, LLC, which loans are not the subject of this Amendment.

H.K. Hotel guaranties all obligations of Hanna Karcho-Polselli to Bank. Hanna Karcho-Polselli guaranties all obligations of H.K. Hotel to Bank. Tropic Ranch guaranties all obligations of H.K. Hotel and Hanna Karcho-Polselli to Bank.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
September 3, 2010  
Page 2

Bank's forbearance under the Forbearance Agreement expired on July 30, 2010. Bank's continued forbearance since that date has been from day to day in Bank's sole discretion. Borrowers and Guarantors have requested that Bank continue to forbear.

Subject to timely, written acceptance by Borrowers and Guarantors of the following conditions, Bank is willing to continue to forbear until October 15, 2010, subject to earlier termination as provided below, from further action to collect the Liabilities:

1. Borrowers and Guarantors acknowledge the Liabilities as set out in the Loan Documents, the amount of the Liabilities as stated above and the existence of the defaults. Borrowers and Guarantors acknowledge and agree that Bank's demand for repayment of the Liabilities was timely and proper.
2. Future administration of the Liabilities and the financing arrangements among Bank, Borrowers and Guarantors shall continue to be governed by the covenants, terms and conditions of the Loan Documents, which are ratified and confirmed and incorporated by this reference (for clarity, this includes, without limitation, a ratification and confirmation of all guaranties of the Liabilities by Guarantors), except to the extent that the Loan Documents have been superseded, amended, modified or supplemented by this Amendment or are inconsistent with this Amendment, then this Amendment shall govern.
3. Borrowers and Guarantors acknowledge Bank is under no obligation to advance funds or extend credit to Borrowers under the Loan Documents, or otherwise.
4. Notwithstanding Bank's demand of the Liabilities, (a) H.K. Hotel shall pay all accrued interest on the H.K. Hotel Installment Loan on the first (1<sup>st</sup>) day of each month, and (b) Hanna Karcho-Polselli shall pay all accrued interest on the Hanna Karcho-Polselli Installment Loan on the first (1<sup>st</sup>) day of each month. All principal payments shall be deferred until expiration or earlier termination of Bank's forbearance.
5. Interest on the Liabilities shall continue to accrue at the non-default rates specified in the Loan Documents. Upon the occurrence of a default under the terms of this Amendment or any further defaults under the Loan Documents, or upon the expiration or earlier termination of Bank's forbearance under this Amendment, then principal outstanding on the H.K. Hotel Installment Loan and Hanna Karcho-Polselli Installment Loan shall accrue interest at the rate otherwise provided in this paragraph plus three percent (3%).
6. Concurrently with execution of this Amendment, with respect to the property located at 4560 El Mar Drive, Lauderdale by the Sea, Florida, Tropic Ranch shall (a) execute an updated Notice to Borrower of Property in Special Flood Hazard Area in the form attached, and (b) provide to Bank (if not already in Bank's possession) either (i) a copy of the flood insurance application, together with proof of payment of the premium, or (ii) a copy of the declarations page of the flood insurance policy.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
September 3, 2010  
Page 3

7. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide for and they shall reimburse for any and all reasonable costs and expenses of Bank, including, but not limited to, all inside and outside counsel fees of Bank whether in relation to drafting, negotiating or enforcement or defense of the Loan Documents or this Amendment, including any preference or disgorgement actions as defined in this Amendment and all of Bank's audit fees, incurred by Bank in connection with the Liabilities, Bank's administration of the Liabilities and/or any efforts of Bank to collect or satisfy all or any part of the Liabilities. Borrowers and Guarantors shall immediately reimburse Bank for all of Bank's costs and expenses upon Bank's incurrence thereof or upon demand.
8. Loan payments, interest on the Liabilities, loan administration expenses, including, but not limited to, all inside and outside counsel fees of Bank and Bank's appraisal fees and audit fees, may be charged directly to any of Borrowers' accounts maintained with Bank.
9. Borrowers and Tropic Ranch will maintain all commercial accounts with Bank.
10. In addition to all reporting currently required by the Loan Documents, Borrowers shall provide Bank:
  - (a) By no later than September 30, 2010, updated personal financial statements (current as of no earlier than June 30, 2010) and current liquidity reports (current as of no earlier than June 30, 2010) for Hanna Karcho-Polselli and Remo Polselli;  
*ALREADY SUBMITTED*
  - (b) By no later than September 30, 2010, copies of the filed 2008 federal income tax returns (with all schedules) for all Borrowers and Guarantors;  
*ALREADY SUBMITTED*
  - (c) By no later than September 30, 2010, compiled financial statements for the year ending 2009 for H.K. Hotel and Tropic Ranch, including profit and loss statements and balance sheets (excluding, or separately reporting, financial information related to the Little Inn hotel which is not encumbered by a mortgage in favor of Bank);
  - (d) Within 20 days after and as of the end of each month, company-prepared operating statements in form satisfactory to Bank for H.K. Hotel and Tropic Ranch (excluding, or separately reporting, financial information related to the Little Inn hotel which is not encumbered by a mortgage in favor of Bank);
  - (e) By no later than September 30, 2010, cash flow budgets for H.K. Hotel and Tropic Ranch for the calendar year 2010 (excluding, or separately reporting, financial information related to the Little Inn hotel which is not encumbered by a mortgage in favor of Bank);

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
September 3, 2010  
Page 4

- (f) By no later than September 30, 2010, a schedule in form and substance satisfactory to Bank of all hotels owned (directly or indirectly) by Hanna Karcho-Polselli or Remo Polselli with full detail on debt structure, cash flow and such other information as Bank may request and *ALREADY SUBMITTED*
  - (g) any other reporting reasonably requested by Bank.
- 11. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide and they shall permit Bank to conduct such fair market value appraisals, inspections, surveys and/or testing, whether for environmental contamination or otherwise, that Bank deems necessary, on any and all real and personal property upon which Bank may possess a mortgage or security interest securing the Liabilities, and the cost of such appraisals, inspections, surveys and testing are part of the costs and expenses for which the Borrowers and Guarantors must reimburse Bank.
  - 12. Borrowers and Guarantors agree to execute any and all additional or supplemental documentation, and provide such further assistance and assurances as Bank may require, in Bank's sole and absolute discretion, to give full effect of the terms, conditions and intentions of this Amendment.
  - 13. Notwithstanding anything to the contrary herein, Bank reserves the right, in its sole discretion, to determine the application of the proceeds of all unusual or extraordinary items (including, by way of example, insurance proceeds or sale proceeds, other than collection of accounts for inventory sold in the ordinary course of business) to the various obligations of Borrowers to Bank.
  - 14. To the extent any payment received by Bank is deemed a preference, fraudulent transfer or otherwise subject to disgorgement under applicable law, including bankruptcy or insolvency law, which requires the Bank to disgorge such payment then, such payment will be deemed to have never occurred and the Liabilities will be adjusted accordingly.
  - 15. This Amendment shall be governed and controlled in all respects by the laws of the State of Michigan, without reference to its conflict of law provisions, including interpretation, enforceability, validity and construction.
  - 16. Bank expressly reserves the right to exercise any or all rights and remedies provided under the Loan Documents and applicable law except as modified herein. Bank's failure to exercise immediately such rights and remedies shall not be construed as a waiver or modification of those rights or an offer of forbearance.
  - 17. This Amendment will inure to the benefit of Bank and all its past, present and future parents, subsidiaries, affiliates, predecessors and successor corporations and all of their subsidiaries and affiliates.



H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
September 3, 2010  
Page 5

18. Bank anticipates that discussions addressing the Liabilities may take place in the future. During the course of such discussions, Bank, Borrowers and Guarantors may touch upon and possibly reach a preliminary understanding on one or more issues prior to concluding negotiations. Notwithstanding this fact and absent an express written waiver by Bank, neither Bank nor any Borrower or Guarantor will be bound by an agreement on any individual issues unless and until an agreement is reduced to writing and signed by the applicable parties.
19. As of the date of this Amendment, there are no other offers outstanding from Bank to Borrowers and Guarantors. Any prior offer by Bank, whether oral or written is hereby rescinded in full. There are no oral agreements between Bank and Borrowers and Guarantors; any agreements concerning the Liabilities are expressed only in the existing Loan Documents. The duties and obligations of Borrowers and Guarantors and Bank shall be only as set forth in the Loan Documents and this Amendment, when executed by all parties.
20. Borrowers and Guarantors acknowledge that they have reviewed (or have had the opportunity to review) this Amendment with counsel of their choice and have executed this Amendment of their own free will and accord and without duress or coercion of any kind by Bank or any other person or entity.
21. **BORROWERS, GUARANTORS AND BANK ACKNOWLEDGE AND AGREE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AMENDMENT, THE LOAN DOCUMENTS OR THE LIABILITIES.**
22. **DEFAULTS HAVE OCCURRED UNDER THE LOAN DOCUMENTS. BORROWERS AND GUARANTORS, TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, WAIVE ALL NOTICES THAT BANK MIGHT BE REQUIRED TO GIVE BUT FOR THIS WAIVER, INCLUDING ANY NOTICES OTHERWISE REQUIRED UNDER SECTION 6 OF ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AS ENACTED IN THE STATE OF MICHIGAN OR THE RELEVANT STATE CONCERNING THE APPLICABLE COLLATERAL (AND UNDER ANY SIMILAR RIGHTS TO NOTICE GRANTED IN ANY ENACTMENT OF REVISED ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE). FURTHERMORE, BORROWERS AND GUARANTORS WAIVE (A) THE RIGHT TO NOTIFICATION OF DISPOSITION OF THE COLLATERAL UNDER § 9-611 OF THE UNIFORM**

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
September 3, 2010  
Page 6

COMMERCIAL CODE, (B) THE RIGHT TO REQUIRE DISPOSITION OF THE COLLATERAL UNDER § 9-620(E) OF THE UNIFORM COMMERCIAL CODE, AND (C) ALL RIGHTS TO REDEEM ANY OF THE COLLATERAL UNDER § 9-623 OF THE UNIFORM COMMERCIAL CODE.

23. BORROWERS AND GUARANTORS, IN EVERY CAPACITY, INCLUDING, BUT NOT LIMITED TO, AS SHAREHOLDERS, PARTNERS, OFFICERS, DIRECTORS, INVESTORS AND/OR CREDITORS OF BORROWERS AND/OR GUARANTORS, OR ANY ONE OR MORE OF THEM, HEREBY WAIVE, DISCHARGE AND FOREVER RELEASE BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS, FROM AND OF ANY AND ALL CLAIMS, CAUSES OF ACTION, DEFENSES, COUNTERCLAIMS OR OFFSETS AND/OR ALLEGATIONS BORROWERS AND/OR GUARANTORS MAY HAVE OR MAY HAVE MADE OR WHICH ARE BASED ON FACTS OR CIRCUMSTANCES ARISING AT ANY TIME UP THROUGH AND INCLUDING THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, AGAINST ANY OR ALL OF BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS.
24. This Amendment may be executed in counterparts and delivered by facsimile and the counterparts and/or facsimiles, when properly executed and delivered by the signing deadline, will constitute a fully executed complete agreement.
25. Borrowers and Guarantors shall properly execute this Amendment and deliver same by facsimile so that it is received by the undersigned by no later than 5:00 p.m. on September 9, 2010 with the original to follow so that it is received by the undersigned by no later than September 10, 2010.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
September 3, 2010  
Page 7

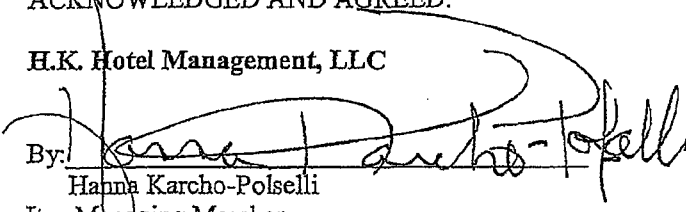
Bank reserves the right to terminate its forbearance prior to October 15, 2010, in the event of any new defaults under the Loan Documents, defaults under this Amendment, in the event of further deterioration in the financial condition of Borrowers or Guarantors or further deterioration in Bank's collateral position, and/or in the event Bank, for any reason in good faith believes that the prospect of payment or performance is impaired.

Very truly yours,

Alan S. Blankstein  
Vice President  
Special Assets Group  
100 N.E. Third Avenue, Suite 600  
Fort Lauderdale, Florida 33301  
(954) 468-0667  
Fax: (954) 468-0664

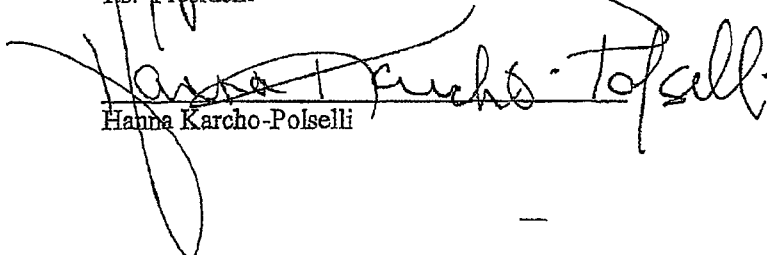
ACKNOWLEDGED AND AGREED:

H.K. Hotel Management, LLC

By:  Date: September 9, 2010  
Hanna Karcho-Polselli  
Its: Managing Member

Tropic Ranch, Inc.

By:  Date: September 9, 2010  
Hanna Karcho-Polselli  
Its: President

 Date: September 9, 2010  
Hanna Karcho-Polselli

May 5, 2011

H.K. Hotel Management, LLC  
Attn: Hanna Karcho-Polselli, Managing Member  
7557 West Sandlake Road  
Orlando, Florida 32819

Hanna Karcho-Polselli  
7557 West Sandlake Road  
Orlando, Florida 32819

Re: **AGREEMENT DATED JUNE 9, 2010 (AS AMENDED ON SEPTEMBER 3, 2010, THE "FORBEARANCE AGREEMENT") AMONG COMERICA BANK ("BANK"), H.K. HOTEL MANAGEMENT, LLC ("H.K. HOTEL"), HANNA KARCHO-POLSELLI (IDENTIFIED COLLECTIVELY WITH H.K. HOTEL AS "BORROWERS") AND TROPIC RANCH, INC. ("TROPIC RANCH" AND IDENTIFIED COLLECTIVELY WITH H.K. HOTEL AND HANNA KARCHO-POLSELLI, AS "GUARANTORS")**

Dear Ms. Karcho-Polselli:

All capitalized terms not defined in this second amendment to the Forbearance Agreement (the "Second Amendment") shall have the meanings set forth in the Forbearance Agreement (which constitutes a Loan Document) or the other Loan Documents.

As of April 29, 2011, the Liabilities include, but are not limited to, the following:

<u>Loans (note amount and date)</u>	<u>Principal</u>	<u>Interest</u>	<u>Late Fees</u>
<b>H.K. Hotel Installment Loan</b> (\$3,185,000; 12/6/06)	\$2,743,272.04	\$27,935.64	\$0
<b>Hanna Karcho-Polselli</b> <b>Installment Loan</b> (\$1,000,000; 12/6/06)	\$698,914.13	\$6,414.69	\$0

These amounts are exclusive of interest accruing after April 29, 2011, letter of credit reimbursement obligations, amounts owed to reimburse Bank for the protective advance made by Bank in the amount of \$220,918.54 for 2008, 2009 and 2010 real property taxes, amounts expended by Bank for forced placed insurance in the amount of \$6,598.68 through March 31, 2011, and costs and expenses (including, but not limited to, reasonable inside and outside counsel fees). The above amounts also do not include Bank's separate loans to Ocean 4660, LLC, which loans are not the subject of this Second Amendment.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 2

H.K. Hotel guaranties all obligations of Hanna Karcho-Polselli to Bank. Hanna Karcho-Polselli guaranties all obligations of H.K. Hotel to Bank. Tropic Ranch guaranties all obligations of H.K. Hotel and Hanna Karcho-Polselli to Bank.

Bank's forbearance under the Forbearance Agreement expired on October 15, 2010. Bank's continued forbearance since that date has been from day to day in Bank's sole discretion. Borrowers and Guarantors have requested that Bank continue to forbear.

Subject to timely, written acceptance by Borrowers and Guarantors of the following conditions, Bank is willing to continue to forbear until October 31, 2011 (the "Expiration Date"), subject to earlier termination as provided below, from further action to collect the Liabilities:

1. Borrowers and Guarantors acknowledge the Liabilities as set out in the Loan Documents, the amount of the Liabilities as stated above and the existence of the defaults. Borrowers and Guarantors acknowledge and agree that Bank's demand for repayment of the Liabilities was timely and proper.
2. Future administration of the Liabilities and the financing arrangements among Bank, Borrowers and Guarantors shall continue to be governed by the covenants, terms and conditions of the Loan Documents, which are ratified and confirmed and incorporated by this reference (for clarity, this includes, without limitation, a ratification and confirmation of all guaranties of the Liabilities by Guarantors), except to the extent that the Loan Documents have been superseded, amended, modified or supplemented by this Second Amendment or are inconsistent with this Second Amendment, then this Second Amendment shall govern.
3. Borrowers and Guarantors acknowledge Bank is under no obligation to advance funds or extend credit to Borrowers under the Loan Documents, or otherwise.
4. Concurrently with execution of this Second Amendment, Borrowers shall pay to Bank the sum of \$40,949.01, which shall be applied to pay the accrued interest and late fees on the loans through April 29, 2011 and to reimburse Bank for the forced placed insurance through March 31, 2011.
5. By no later than May 16, 2011, Borrowers shall pay to Bank the sum of \$21,926.61, which shall be applied to reimburse Bank for a portion of the protective advance for the 2009 and 2010 real property taxes.
6. By no later than July 31, 2011, Borrowers shall pay to Bank the sum of \$21,690.84, which shall be applied to reimburse Bank for a portion of the protective advance for the 2009 and 2010 real property taxes.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 3

7. Except as otherwise set forth in paragraphs 4-6 above or in paragraphs 20 and 21 below, all principal and interest payments shall otherwise be deferred until expiration or earlier termination of Bank's forbearance.
8. Within 10 days after the end of each month, Tropic Ranch shall provide to Bank a financial statement as of the end of such month in form satisfactory to Bank.
9. Interest on the Liabilities shall continue to accrue at the non-default rates specified in the Loan Documents. Upon the occurrence of a default under the terms of this Second Amendment or any further defaults under the Loan Documents, or upon the expiration or earlier termination of Bank's forbearance under this Second Amendment, then principal outstanding on the H.K. Hotel Installment Loan and Hanna Karcho-Polselli Installment Loan shall accrue interest at the rate otherwise provided in this paragraph plus three percent (3%).
10. Commencing August 1, 2011, Tropic Ranch shall maintain current and not permit to become more than ten days delinquent all utility bills, taxes (including sales taxes, payroll taxes and any other taxes, except for real and personal property taxes) and other operating expenses with respect to the property located at 4560 El Mar Drive, Lauderdale by the Sea, Florida (the "Hotel"); if Tropic Ranch's cash receipts are insufficient to pay such items, Borrowers shall fund any shortfall. In the event of a default, Bank may terminate forbearance and exercise its remedies.
11. Tropic Ranch shall not pay any management fee or other compensation to any Borrower, Guarantor or to Remo Polselli or to any company affiliated with, owned or controlled, directly or indirectly, by any Borrower or Guarantor or Remo Polselli.
12. Tropic Ranch shall permit Bank or its consultant to verify the status of all taxes (including but not limited to sales taxes and payroll taxes) and shall authorize the relevant taxing authorities to communicate directly with Bank.
13. By no later than May 31, 2011, Tropic Ranch shall cause to be discharged (a) the Broward County Tourist Development Tax Warrant Lien in the original amount of \$6,435.38 recorded 9/1/09, and (b) the Findings of Fact, Conclusions of Law and Order recorded by the Broward County Environmental Protection and Growth Management Department on February 8, 2011. In addition, Borrowers shall not permit any new liens or encumbrances to be recorded against the Hotel on or after February 8, 2011. If there is a default, Bank may immediately commence foreclosure of its mortgage on the Hotel and neither Borrowers nor any Guarantor will contest the foreclosure proceedings. In the event of foreclosure, Bank will request that the court set the foreclosure sale date no sooner than December 1, 2011.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 4

14. Upon expiration or earlier termination of Bank's forbearance, then upon request by Bank (a "Deed in Lieu Request"), Tropic Ranch and H.K. Hotel (as applicable) shall execute and deliver to Bank a deed in lieu of foreclosure (to Bank or its designee) with respect to the Hotel, together with an agreement providing for the voluntary surrender of all personal property located at the Hotel (excluding any personal property which is leased by Tropic Ranch or H.K. Hotel), an agreement providing for the acceptance by Bank of all personal property located at the Hotel in partial satisfaction of the Liabilities, and such other related documentation as Bank may require. Such documents shall be in the form attached to this Second Amendment. Notwithstanding the foregoing, in the event of any default under this Second Amendment or the other Loan Documents, Bank may only make a Deed in Lieu Request if Bank has first provided to Borrowers written notice of such default (which written notice shall be sent (i) via email to [resortamerica@gmail.com](mailto:resortamerica@gmail.com) and (ii) via either Federal Express or certified mail to Borrowers at 55 E. Long Lake, Suite 204, Troy, Michigan 48085) and Borrowers have failed to cure the default within 5 business days after the date that the notice is sent. For clarity, Bank may exercise any other remedies (other than making a Deed in Lieu Request) immediately following any default without any requirement for notice to Borrowers or Guarantors or opportunity to cure. Concurrently with execution of this Second Amendment, Tropic Ranch and H.K. Hotel shall provide Bank with copies of all leases of personal property with respect to the Hotel. Such leases are described on **Exhibit A**.
15. Upon expiration or earlier termination of Bank's forbearance, upon request by Bank, Borrowers and Guarantors shall consent to the appointment of a receiver selected by Bank to operate the Hotel.
16. Provided that Tropic Ranch and H.K. Hotel (as applicable) execute and deliver the deed and related documents referenced in paragraph 14 above (if and when so requested by Bank) and Borrowers and Guarantors execute the consent to appointment of a receiver referenced in paragraph 15 above (if and when so requested by Bank) and further provided that none of Borrowers or Guarantors (a) becomes the subject of a petition for relief under the Bankruptcy Code, an assignment for the benefit of creditors or a similar insolvency proceeding, (b) objects to, contests or appeals any action by Bank seeking appointment of a receiver over any of Bank's collateral or foreclosure of Bank's mortgage on the Hotel, or (c) files any action seeking to restrain or enjoin Bank from recording the deed or otherwise exercising its rights against the collateral, then (x) if Bank elects to record the deed, upon recording of the deed and either completion of foreclosure with respect to the personal property or consummation of an acceptance of the personal property by Bank in partial satisfaction of the Liabilities, Bank will deliver to Borrowers and Guarantors a covenant not to sue them for a money judgment with respect to the loans outstanding to Borrowers in the form attached and (y) if Bank elects to commence foreclosure of its mortgage, upon the issuance of a certificate of title by the clerk of the court after completion of the foreclosure sale and expiration of the time

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 5

period to appeal the sale, Bank agrees that it will not pursue a money judgment against Borrowers or Guarantors with respect to the loans outstanding to Borrowers.

17. Concurrently with execution of this Second Amendment, all shareholders of Tropic Ranch shall execute documents pledging to Bank 100% of the equity interests in Tropic Ranch.
18. Concurrently with execution of this Second Amendment, and throughout the term of Bank's forbearance, Tropic Ranch shall list the Hotel for sale with a real estate broker acceptable to Bank and at a list price acceptable to Bank.
19. Concurrently with execution of this Second Amendment, Borrowers and Tropic Ranch shall execute such documents as are necessary to cross-collateralize Bank's loans to Borrowers with Bank's loans to Ocean 4660, LLC. In the event of a sale of the Hotel by Borrower, Bank agrees that the release price for its mortgage on the Hotel shall be the greater of (a) the proceeds from the sale of the Hotel, net of real property taxes, broker's commission of not more than 6% and such other closing costs as may be approved by Bank in writing (but not to exceed the total of the amount outstanding with respect to the direct loans to Borrowers plus the amount outstanding with respect to the direct loans to and swap obligations of Ocean 4660, LLC) and (b) the amount outstanding with respect to the direct loans to Borrowers.
20. Provided the following conditions (the "Extension Conditions") are met, then the Expiration Date shall be automatically extended until November 30, 2012:
  - (a) there are no defaults under this Second Amendment, and no further defaults under the other loan documents;
  - (b) by October 30, 2011, Borrowers shall reimburse Bank for any protective advances made by Bank for taxes or insurance;
  - (c) by October 30, 2011, Borrowers shall bring current all accrued interest;
  - (d) by October 30, 2011, Borrowers shall have paid in full the 2011 property taxes;
  - (e) by October 30, 2011, Borrowers shall have procured insurance on the Hotel in form required under the Loan Documents, with premiums paid in full in advance through November 30, 2012; and
  - (f) by October 30, 2011, Borrowers shall have reduced the principal amount outstanding on the H.K. Hotel Installment Loan and Hanna Karcho-Polselli Installment Loan by an aggregate amount sufficient so that the total outstanding principal balance of the loans is equal to or less than 80% of the appraised fair



H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 6

market value of the Hotel, based upon a new appraisal of the Hotel to be obtained by Bank.

The Expiration Date shall automatically be extended until November 30, 2012 upon satisfaction of the Extension Conditions.

21. If the Extension Conditions set forth in paragraph 20 above are met and the Expiration Date is extended until November 30, 2012, then commencing on the first day of the month following the calendar month in which the Extension Conditions are satisfied, (a) Tropic Ranch shall pay into escrow with Bank on the first day of each month 1/12th of the estimated amount of the real property taxes for 2012 (as determined by Bank) and (b) Tropic Ranch shall pay to Bank on the first day of each month all accrued interest on the H.K. Hotel Installment Loan and Hanna Karcho-Polselli Installment Loan, plus principal installments based upon a 20 year amortization schedule.
22. Tropic Ranch and H.K. Hotel shall not enter into any new leases or subleases (and shall not modify or amend any existing leases or subleases) with respect to any portion of the Hotel without the express written consent of Bank.
23. Concurrently with execution of this Amendment, with respect to the Hotel, Tropic Ranch shall (a) execute an updated Notice to Borrower of Property in Special Flood Hazard Area in the form attached, and (b) provide to Bank (if not already in Bank's possession) either (i) a copy of the flood insurance application, together with proof of payment of the premium, or (ii) a copy of the declarations page of the flood insurance policy.
24. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide for and they shall reimburse for any and all reasonable costs and expenses of Bank, including, but not limited to, all inside and outside counsel fees of Bank whether in relation to drafting, negotiating or enforcement or defense of the Loan Documents or this Second Amendment, including any preference or disgorgement actions as defined in this Second Amendment and all of Bank's audit fees, incurred by Bank in connection with the Liabilities, Bank's administration of the Liabilities and/or any efforts of Bank to collect or satisfy all or any part of the Liabilities. Borrowers and Guarantors shall immediately reimburse Bank for all of Bank's costs and expenses upon Bank's incurrence thereof or upon demand.
25. Loan payments, interest on the Liabilities, loan administration expenses, including, but not limited to, all inside and outside counsel fees of Bank and Bank's appraisal fees and audit fees, may be charged directly to any of Borrowers' accounts maintained with Bank.
26. Except for the accounts detailed on **Exhibit B** ("Bank of America Accounts"), Borrowers and Tropic Ranch will maintain all commercial accounts with Bank. By no later than

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 7

April 15, 2011, Borrowers and Tropic Ranch shall pledge to Bank a first priority security interest on the Bank of America Accounts, in form and substance acceptable to Bank.

27. In addition to all reporting currently required by the Loan Documents, Borrowers shall provide Bank:
  - (a) by no later than May 16, 2011, an updated, executed certified personal financial statement (current as of no earlier than March 31, 2011) for Remo Polselli in form satisfactory to Bank;
  - (b) within fifteen (15) days of filing, copies of the filed 2010 federal income tax returns (with all schedules) for all Borrowers and Guarantors (Bank has received the 2008 and 2009 federal income tax returns for Borrowers and Guarantors);
  - (c) any other reporting reasonably requested by Bank.
28. Bank acknowledges that Remo Polselli does not guaranty the H.K. Hotel Installment Loan or the Hanna Karcho-Polselli Installment Loan.
29. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide and they shall permit Bank to conduct such fair market value appraisals, inspections, surveys and/or testing, whether for environmental contamination or otherwise, that Bank deems necessary, on any and all real and personal property upon which Bank may possess a mortgage or security interest securing the Liabilities, and the cost of such appraisals, inspections, surveys and testing are part of the costs and expenses for which the Borrowers and Guarantors must reimburse Bank.
30. Borrowers and Guarantors agree to execute any and all additional or supplemental documentation, and provide such further assistance and assurances as Bank may require, in Bank's sole and absolute discretion, to give full effect of the terms, conditions and intentions of this Second Amendment.
31. Notwithstanding anything to the contrary herein, Bank reserves the right, in its sole discretion, to determine the application of the proceeds of all unusual or extraordinary items (including, by way of example, insurance proceeds or sale proceeds, other than collection of accounts for inventory sold in the ordinary course of business) to the various obligations of Borrowers to Bank.
32. To the extent any payment received by Bank is deemed a preference, fraudulent transfer or otherwise subject to disgorgement under applicable law, including bankruptcy or insolvency law, which requires the Bank to disgorge such payment then, such payment will be deemed to have never occurred and the Liabilities will be adjusted accordingly.

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 8

33. This Second Amendment shall be governed and controlled in all respects by the laws of the State of Michigan, without reference to its conflict of law provisions, including interpretation, enforceability, validity and construction.
34. Bank expressly reserves the right to exercise any or all rights and remedies provided under the Loan Documents and applicable law except as modified herein. Bank's failure to exercise immediately such rights and remedies shall not be construed as a waiver or modification of those rights or an offer of forbearance.
35. This Second Amendment will inure to the benefit of Bank and all its past, present and future parents, subsidiaries, affiliates, predecessors and successor corporations and all of their subsidiaries and affiliates.
36. Bank anticipates that discussions addressing the Liabilities may take place in the future. During the course of such discussions, Bank, Borrowers and Guarantors may touch upon and possibly reach a preliminary understanding on one or more issues prior to concluding negotiations. Notwithstanding this fact and absent an express written waiver by Bank, neither Bank nor any Borrower or Guarantor will be bound by an agreement on any individual issues unless and until an agreement is reduced to writing and signed by the applicable parties.
37. As of the date of this Second Amendment, there are no other offers outstanding from Bank to Borrowers and Guarantors. Any prior offer by Bank, whether oral or written is hereby rescinded in full. There are no oral agreements between Bank and Borrowers and Guarantors; any agreements concerning the Liabilities are expressed only in the existing Loan Documents. The duties and obligations of Borrowers and Guarantors and Bank shall be only as set forth in the Loan Documents and this Second Amendment, when executed by all parties.
38. Borrowers and Guarantors acknowledge that they have reviewed (or have had the opportunity to review) this Second Amendment with counsel of their choice and have executed this Second Amendment of their own free will and accord and without duress or coercion of any kind by Bank or any other person or entity.
39. **BORROWERS, GUARANTORS AND BANK ACKNOWLEDGE AND AGREE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS SECOND AMENDMENT, THE LOAN DOCUMENTS OR THE LIABILITIES.**

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 9

40. **DEFAULTS HAVE OCCURRED UNDER THE LOAN DOCUMENTS. BORROWERS AND GUARANTORS, TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, WAIVE ALL NOTICES THAT BANK MIGHT BE REQUIRED TO GIVE BUT FOR THIS WAIVER, INCLUDING ANY NOTICES OTHERWISE REQUIRED UNDER SECTION 6 OF ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AS ENACTED IN THE STATE OF MICHIGAN OR THE RELEVANT STATE CONCERNING THE APPLICABLE COLLATERAL (AND UNDER ANY SIMILAR RIGHTS TO NOTICE GRANTED IN ANY ENACTMENT OF REVISED ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE). FURTHERMORE, BORROWERS AND GUARANTORS WAIVE (A) THE RIGHT TO NOTIFICATION OF DISPOSITION OF THE COLLATERAL UNDER § 9-611 OF THE UNIFORM COMMERCIAL CODE, (B) THE RIGHT TO REQUIRE DISPOSITION OF THE COLLATERAL UNDER § 9-620(E) OF THE UNIFORM COMMERCIAL CODE, AND (C) ALL RIGHTS TO REDEEM ANY OF THE COLLATERAL UNDER § 9-623 OF THE UNIFORM COMMERCIAL CODE.**
41. **BORROWERS AND GUARANTORS, IN EVERY CAPACITY, INCLUDING, BUT NOT LIMITED TO, AS SHAREHOLDERS, PARTNERS, OFFICERS, DIRECTORS, INVESTORS AND/OR CREDITORS OF BORROWERS AND/OR GUARANTORS, OR ANY ONE OR MORE OF THEM, HEREBY WAIVE, DISCHARGE AND FOREVER RELEASE BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS, FROM AND OF ANY AND ALL CLAIMS, CAUSES OF ACTION, DEFENSES, COUNTERCLAIMS OR OFFSETS AND/OR ALLEGATIONS BORROWERS AND/OR GUARANTORS MAY HAVE OR MAY HAVE MADE OR WHICH ARE BASED ON FACTS OR CIRCUMSTANCES ARISING AT ANY TIME UP THROUGH AND INCLUDING THE DATE OF THIS SECOND AMENDMENT, WHETHER KNOWN OR UNKNOWN, AGAINST ANY OR ALL OF BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS.**
42. This Second Amendment may be executed in counterparts and delivered by facsimile and the counterparts and/or facsimiles, when properly executed and delivered by the signing deadline, will constitute a fully executed complete agreement.
43. Borrowers and Guarantors shall properly execute this Second Amendment and deliver same by facsimile so that it is received by the undersigned by no later than 5:00 p.m. on May 9, 2011 with the original to follow so that it is received by the undersigned by no later than May 11, 2011.

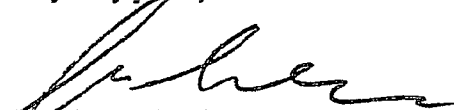
H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 10

Bank reserves the right to terminate its forbearance prior to the Expiration Date, in the event of any new defaults under the Loan Documents, defaults under this Second Amendment, in the event of further deterioration in the financial condition of Borrowers or Guarantors or further deterioration in Bank's collateral position, and/or in the event Bank, for any reason, in good faith believes that the prospect of payment or performance is impaired.

[remainder of page intentionally left blank]

H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 11

Very truly yours,



Alan S. Blankstein  
Vice President  
Special Assets Group  
1675 North Military Trail, 6<sup>th</sup> Floor  
Boca Raton, Florida 33486  
(561) 961-6689  
Fax: (561) 961-6660

ACKNOWLEDGED AND AGREED:

**H.K. Hotel Management, LLC**

By: \_\_\_\_\_  
Hanna Karcho-Polselli  
Its: Managing Member

Date: May \_\_\_\_, 2011

**Tropic Ranch, Inc.**

By: \_\_\_\_\_  
Hanna Karcho-Polselli  
Its: President

Date: May \_\_\_\_, 2011

\_\_\_\_\_  
Hanna Karcho-Polselli

Date: May \_\_\_\_, 2011

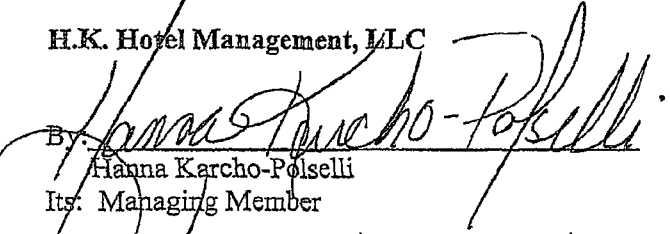
H.K. Hotel Management, LLC  
Hanna Karcho-Polselli  
May 5, 2011  
Page 11

Very truly yours,

Alan S. Blankstein  
Vice President  
Special Assets Group  
1675 North Military Trail, 6<sup>th</sup> Floor  
Boca Raton, Florida 33486  
(561) 961-6689  
Fax: (561) 961-6660

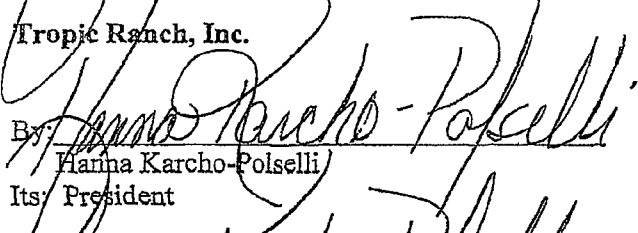
ACKNOWLEDGED AND AGREED:

H.K. Hotel Management, LLC

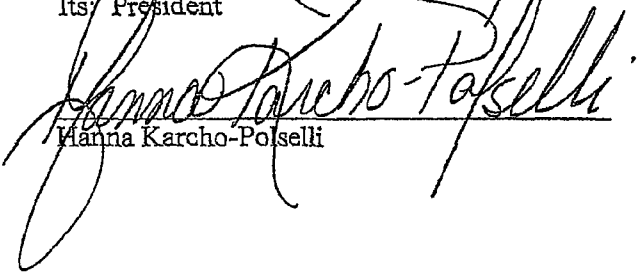
By:   
Hanna Karcho-Polselli  
Its: Managing Member

Date: May 9, 2011

Tropic Ranch, Inc.

By:   
Hanna Karcho-Polselli  
Its: President

Date: May 9, 2011

  
Hanna Karcho-Polselli

Date: May 9, 2011

**WAITING FOR EXHIBIT INFORMATION  
FROM BORROWER**

**June 3, 2011**



**Exhibit A**  
**Leases of Personal Property**

**WAITING FOR EXHIBIT INFORMATION  
FROM BORROWER**

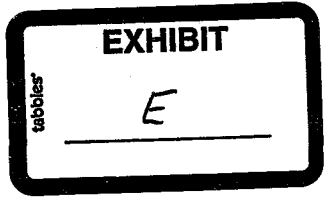
**June 3, 2011**

**Exhibit B**  
**Bank of America Accounts**

LON1 REQ: 0112      CURRENT FINANCIAL/PAYOFF      01/23/13      PAGE 0001 OF 0001  
BANK: 02      AP: 1      OBGOR: 9895085651      OBGAT: 000000018      H K HOTEL MANAG  
DATE: 012413      CHG CD:      INCLUDE ESCROW AMOUNT (Y/N): Y      PAGE:  
RATE      BASIS      DAILY EARNINGS      AMOUNT DUE  
INT 100      4.50000000      5 ACT 365      362.42669      220,288.43  
FEE 556      .00000000      9 MANUAL      .00000      .00  
LATE                          300.21

PROC TYPE: 5151      CURRENT      BASIC OBLGN      NOT A TAKEDOWN  
OBLN TYPE: 202      COLL TYPE: 150      SECURED : 0      NOT ENTERED  
EFF DATE : 12-06-06      MAT DATE : 10-31-11      DISC CODE : 0      NOT ENTERED  
SVC UNIT : 00008      ASSN UNIT: 91608  
CONT OFF : 01088      GL CODE : 0013399  
TKDWN OBR:      STAT CD: 7      PRIN RECAP  
TKDWN OBN:  
LC FRMULA: 200  
PN FRMULA: 000  
CURR BAL :      2,939,683.18  
INT EARNED :      220,288.43  
LATE CHARG :      300.21

AMT TO BE CURR:      3,894,560.05  
PAYOFF AS OF 01-24-13 :      3,160,271.82



LON1 REQ: 0112      CURRENT FINANCIAL/PAYOFF      01/23/13      PAGE 0001 OF 0001  
BANK: 02      AP: 1      OBGOR: 9895085669      OBGAT: 0000000018      KARCHO POLSELLI  
DATE: 012413      CHG CD:      INCLUDE ESCROW AMOUNT (Y/N): Y      PAGE:  
RATE      BASIS      DAILY EARNINGS      AMOUNT DUE  
INT 100      4.50000000      5 ACT 365      86.16750      58,919.41  
LATE                          71.80

PROC TYPE: 5151 CURRENT      BASIC OBLGN      NOT A TAKEDOWN  
OBLN TYPE: 042      COLL TYPE: 140      SECURED : 1      UNSECURED  
EFF DATE : 12-06-06      MAT DATE : 10-31-11      DISC CODE : 0      NOT ENTERED  
SVC UNIT : 00008      ASSN UNIT: 91608      :  
CONT OFF : 01088      GL CODE : 0013135      :  
TKDWN OBR:      STAT CD: 7      PRIN RECAP      :  
TKDWN OBN:      :      :      :  
LC FRMULA: 200      :      :      :  
PN FRMULA: 000      :      :      :  
CURR BAL      698,914.13  
INT EARNED :      58,919.41  
LATE CHARG :      71.80  
AMT TO BE CURR:      932,882.80  
PAYOFF AS OF 01-24-13 :      757,905.34