

KEY NO. 13-346-1

103701

Mail to:

WALKER, FLEMING, CORBIN & GREENBERG
ATTORNEYS AT LAW
SUITE E
99 EAST 86TH AVENUE
MERRILLVILLE, INDIANA 46410

REAL ESTATE SECOND MORTGAGE

This MORTGAGE is entered into on this 15TH day of MAY, 1990 by Calumet National Bank, as Trustee under Trust Number P-2459 (hereinafter called the "Mortgagor"), for the benefit of M. Ross Gambril (hereinafter called the "Mortgagee") and Mortgagor hereby agrees as follows:

1. The Mortgagor has become indebted to the Mortgagee in the sum of One Million Dollars (\$1,000,000.00), with no interest to accrue thereon, for which amount the Mortgagor has signed and delivered to the Mortgagee a certain Promissory Note dated the same date as this Mortgage, the terms of which are incorporated in this Mortgage by reference, the principal to be payable, at such place as the holder of said Note may designate, but only at such time as the Premises (as hereinafter defined) is sold.

The parties to this Mortgage are desirous of securing the prompt payment of the principal of such Note, and any additional indebtedness accruing to the Mortgagee.

2. Grant of Mortgage. The Mortgagor, for the purpose of securing the prompt payment of the indebtedness as it become due, and also for good and legally sufficient consideration from the Mortgagee, the receipt whereof is hereby acknowledged, hereby mortgages and warrants to the Mortgagee the real estate situated in Lake County, Indiana, being more particularly described as follows:

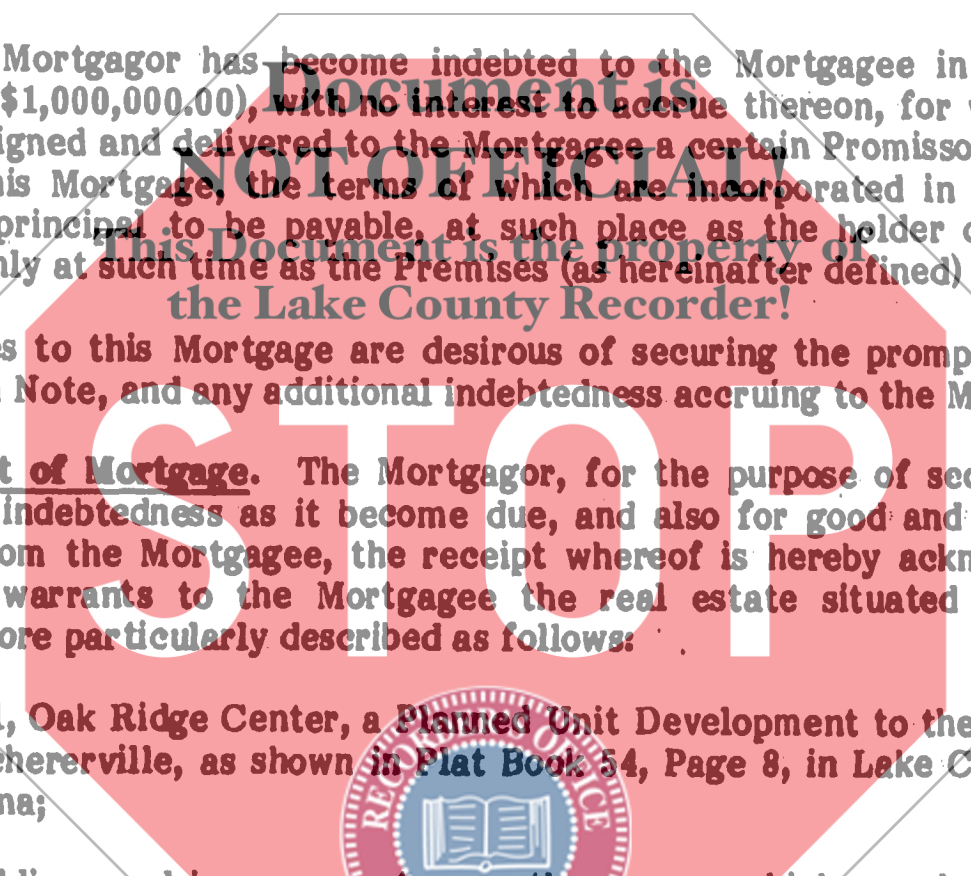
Lot 1, Oak Ridge Center, a Planned Unit Development to the Town of Schererville, as shown in Plat Book 54, Page 8, in Lake County, Indiana;

including all buildings and improvements now thereon, or which may hereafter be placed thereon, together with the tenements, hereditaments, and appurtenances and all other rights belonging to said real estate, or in any way now or hereafter appertaining, and the reversions, remainder and remainders, rents, issues, and profits from said real estate, and all plumbing, heating, and lighting and other fixtures and equipment now or hereafter attached to or used in connection with said real estate, buildings, and improvements (said real estate, buildings, improvements, and fixtures sometimes hereafter collectively called the "Premises"), to have and to hold said Premises unto the Mortgagee to its own use and benefit forever.

3. Payment of Note. If the Mortgagor fulfills its obligations and pays to the Mortgagee the entire indebtedness evidenced by said Note, and according to all of the terms and conditions of this Mortgage, and regardless of whether such obligations or indebtedness are the individual obligations or indebtedness of one Mortgagor or whether such obligations or indebtedness be several or jointly with others, together with principal, attorneys' fees and required charges, and without relief from valuation and appraisal laws, then the lien created and established by the Mortgage shall terminate and be void.

SUBJECT TO TRUSTEE'S EXCULPATION ATTACHED
HERE TO AND MADE A PART HEREOF

Count 103702



STATE OF INDIANA/S.S. NO.
LAKE COUNTY
FILED FOR RECORD
JUN 15 1990
47 34 '90

1550
ck
E

4. **Related Documents Incorporated.** The terms and conditions of the Note described above, all guarantees, assignments, and security agreements, and such other documents, if any, described in Exhibit "B", attached to and a part of this Mortgage, and all addenda to said documents hereafter will sometimes be called collectively the "related documents." Said related documents are hereby made a part of this Mortgage to the same extent and with the same effect as if fully set forth herein.

5. **Mortgagor's Covenants.** The Mortgagor, in order to more fully protect the security of this Mortgage, hereby covenants and agrees as follows:

a. The Mortgagor owns the Premises in fee simple and clear of all liens except: 1) a first mortgage (hereinafter the "First Mortgage") in favor of First Midwest Bank/Illinois dated September 15, 1988, in the original principal amount of Eight Hundred Thousand Dollars (\$800,000) and recorded on _____, 1988 as Document No. _____ at Page _____ in the Office of the Recorder of Lake County, Indiana; 2) current real estate taxes, which are not delinquent, and 3) such exceptions as Mortgagor has advised Mortgagee about in writing at the date of this Mortgage. Mortgagor will not permit any additional liens or encumbrances to exist on the Premises except current taxes and this Mortgage without the prior written consent of the Mortgagee.

b. Mortgagor will make no removal, alterations or additions to the buildings, improvements, and fixtures without the written approval of the Mortgagee.

c. The Mortgagor will pay, when due, all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions levied upon the Premises, and will promptly deliver the official receipts therefor to the Mortgagee; the Mortgagor will pay when due, all sums required to be paid pursuant to the terms of the First Mortgage and shall provide evidence of such payment to Mortgagee upon request.

d. The Mortgagor will comply fully and promptly with all governmental laws, rules, regulations, and ordinances which are now or may hereafter become applicable to the Premises.

e. The Mortgagor will take reasonable care of the Premises, and will maintain the Premises in as good repair and condition as the date of this Mortgage or as improved, ordinary wear and tear alone excepted. The Mortgagor will not commit or permit any waste and will not do any act which would unduly impair or depreciate the value of the Premises as security for this Mortgage, including alteration, removal or demolishing the Premises or any part of them without the prior written consent of the Mortgagee.

f. The Mortgagor will insure the Premises and, until the debt secured by this Mortgage has been paid in full, will keep the Premises insured against damage by fire, explosion, wind storm and other hazards as The Mortgagee may reasonably require, in an amount and with a company or companies satisfactory to the Mortgagee. All such insurance policies shall be written in the name of the Mortgagor with the loss payable to the Mortgagee as its interest may appear and such policies and paid premium receipts shall be delivered to and remain in the custody of the Mortgagee. In the event of loss, Mortgagor will give immediate notice in writing to the Mortgagee, who may make proof of loss, if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee,

instead of to the Mortgagor and Mortgagee jointly. Unless the Mortgagee and Mortgagor otherwise agree in writing, insurance proceeds shall be applied for restoration or repair of the buildings, fixtures or improvements damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If the Mortgagee reasonably determines that such restoration or repair is not economically feasible or that the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to the Mortgagor. If the Premises is abandoned by the Mortgagor or if the Mortgagor fails to respond to the Mortgagee within 30 days after notice by the Mortgagee to the Mortgagor that the insurance company offers to settle a claim for insurance benefits, the Mortgagee is authorized to collect and apply the insurance proceeds at the Mortgagee's option either to restoration or repair of the damaged buildings, fixtures or improvements or to the sums secured by this Mortgage. In the event of foreclosure of the Mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured by this Mortgage, all right, title, and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

g. The Mortgagor shall pay to the Mortgagee, upon request, but only to the extent such are not required to be paid to the First Mortgagee, such amounts at such times as the Mortgagee may reasonably request to be held in escrow and disbursed by the Mortgagee for the payment of existing taxes, future taxes, insurance premiums, and other charges, liens or assessments covering the Premises. Mortgagor shall forward or cause to be forwarded to Mortgagee a copy of all statements for real estate taxes on the Real Estate payable to Mortgagor, as received, and Mortgagor shall pay monthly to Mortgagee, such sum as in Mortgagee's reasonable estimation shall be sufficient to pay real estate taxes, insurance premiums and other charges, liens or assessments covering the Premises as they become due, to be held in escrow by Mortgagee for payment of said charges. Said payments shall be due and payable monthly.

6. **Payment of Taxes and Other Charges by Mortgagee.** If default is made in the payment of any taxes, assessments, any insurance premium, or any other charges promptly upon the day or days when they first become due and payable, or if the Mortgagor fails to keep the Premises in good repair, the Mortgagee without prejudice to and in addition to all other remedies hereunder, may pay such taxes, assessments, insurance premiums, and charges and may make such repairs as in its discretion it may deem necessary properly to preserve its security, and any sums so paid shall be a further lien on the Premises under this Mortgage, payable immediately.

7. **Eminent Domain.** If the Premises, or any part thereof, are taken or condemned for public or quasi-public purposes by proper authorities, the Mortgagor will have no claim against the award for damages, or be entitled to any portion of the award until the indebtedness secured by the Mortgage is paid in full. All of the Mortgagor's rights to damages in the event of public taking or condemnation are hereby assigned to the Mortgagee to the extent of any indebtedness that then remains unpaid. The Mortgagor may, however, appeal any such award to the court(s) of competent jurisdiction.

8. **Junior Liens.** Any person, firm or corporation taking or acquiring a junior mortgage or other lien upon the Premises, shall take or acquire and shall hold said lien subject to the rights of the Mortgagee to extend the maturity of the indebtedness secured by the Mortgage and to increase the indebtedness secured by this Mortgage without obtaining the consent of the holder of said junior lien and without the lien of the Mortgage losing its priority over any such junior lien. Any proceeding instituted on any such junior mortgage or lien shall constitute a default under this Mortgage.

9. **Default.** Default under this Mortgage will result on the occurrence of any specific condition of default specified in this Mortgage or in any related document, or in the event of failure by the Mortgagor to keep, observe, or perform any of the conditions, obligations, or covenants imposed on the Mortgagor by this Mortgage or by any related document. In the event of default the Mortgagee may exercise its rights and remedies under this Mortgage and available at law. Forebearance by the Mortgagee in any default of the Mortgagor will not impair the rights or options of the Mortgagee in the event of any subsequent default. The death, dissolution, liquidation, termination of existence, insolvency, appointment of a receiver of, or assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law by or against, the Mortgagor or any guarantor or surety on the indebtedness secured by this Mortgage shall be conditions of default under this Mortgage.

10. **Transfer of Mortgagor's Interest.** If, without the written consent of the Mortgagee, (a) the Mortgagor transfers, sells, or assigns, or (b) there is any change in the ownership of, legal or equitable title or interest in the Premises, or (c) the Mortgagor creates or permits any lien or other encumbrance (other than those presently existing or securing the payment of loans and advances made to them by the Mortgagee or the lien of current real estate taxes) to exist on the Premises or (d) any stockholder or partner in the Mortgagor transfers his stock or partnership interest to any other person, without first obtaining written consent of the Mortgagee, such action or occurrence shall constitute a default under this Mortgage and the entire principal and interest accrued thereon shall become due and payable immediately at the option of the Mortgagee. The Mortgagee's consent required by this paragraph may not be unreasonably withheld.

11. **Default on Other Indebtedness.** Default by the Mortgagor on any condition or provision of any indebtedness of the Mortgagor to person(s) other than the Mortgagee, which indebtedness is secured by liens either prior or junior to the lien of this Mortgage, will constitute a default under this Mortgage. The Mortgagee may cure any such default under such indebtedness. The costs of curing any such default paid by the Mortgagee will be added to the indebtedness secured by this Mortgage.

12. **Acceleration.** In the event of any default of any provision of this Mortgage or of any related document, all of the remainder of the sums payable pursuant to the provisions of this Mortgage, shall at the option of the Mortgagee become immediately due and payable, without notice, and the Mortgagee may foreclose this Mortgage, anything in this Mortgage or in any related document to the contrary notwithstanding, and any failure to exercise said option will not constitute a waiver of the right to exercise the same at any future time.

13. **Mortgagor's Right to Reinstate.** Notwithstanding the Mortgagee's acceleration of the sums secured by this Mortgage, the Mortgagor may have any proceedings begun by the Mortgagee to foreclose this Mortgage discontinued at any time prior to entry of a judgment if all the following conditions are met: (a) the Mortgagor pays Mortgagee all sums which would be then due under this Mortgage, the Note and notes securing future advances, if any, had not acceleration occurred; (b) the Mortgagor cures all breaches of any other covenants or agreements of the Mortgagor under this Mortgage or related documents; (c) the Mortgagor pays all reasonable expenses incurred by the Mortgagee in enforcing the covenants and agreements of the Mortgagor contained in this Mortgage and in enforcing the Mortgagee's remedies provided herein, including, but not limited to, reasonable attorney's fees; and (d) the Mortgagor takes such action as the Mortgagee may reasonably require to assure that the lien of this Mortgage, the Mortgagee's interest in the Premises, and the Mortgagor's obligation to pay the sums secured by this Mortgage shall

continue unimpaired. When such conditions are met by the Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

14. **Mortgagee's Costs.** If the Mortgagee is required to take any actions to collect, enforce, or foreclose this Mortgage or said Note, then any sums necessarily expended by the Mortgagee for proof of title to the real estate, attorneys' fees, court costs, and all other proper costs and expenses related to such collection, enforcement, or foreclosure, shall become a part of the debt secured by this Mortgage and shall be collectible as such.

15.(A) **Assignment of Rents.** As part of the consideration for the indebtedness evidenced by the Note, Mortgagor hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Premises, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Premises regardless of to whom the rents and revenues of the Premises are payable. Mortgagor hereby authorizes Lender or Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Premises to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Mortgagor of the breach by Mortgagor of any covenant or agreement of Mortgagor in this Mortgage, Mortgagor shall collect and receive all rents and revenues of the Premises as trustee for the benefit of Lender and Mortgagor, to apply the rents and revenues so collected to the sums secured by this Mortgage in the order provided in Paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Mortgagor, it being intended by Mortgagor and Lender that this assignment of rent constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Mortgagor of the breach by Mortgagor of any covenant or agreement of Mortgagor in this Mortgage, and without the necessity of Lender entering upon and taking and maintaining full control of the Premises in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Premises as specified in this Paragraph 15.(A) as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Mortgagor as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Mortgagor of the breach by Mortgagor shall contain a statement that Lender exercises its rights to such rents. Mortgagor agrees that commencing upon delivery of such written notice of Mortgagor's breach by Lender to Mortgagor, each tenant of the Premises shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefore, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Mortgagor.

15.(B) **Appointment of Receiver.** If proceedings to foreclose this Mortgage are instituted, the Mortgagee may apply for the appointment of a receiver (and the Mortgagor hereby consents to the appointment of a receiver if there has been any default in the performance of any of the conditions of this Mortgage), and such receiver is hereby authorized to take possession of the real estate, collect any rental accrued or that may accrue, whether in money or kind, for the use or occupancy of said premises by any person, firm, or corporation, or may let or lease the Premises, or any part thereof, receive the rents, come and profits therefrom, and hold the proceeds subject to the orders of the court, or the judge thereof, for the benefit of the Mortgagee, pending the final decree in said proceedings, and during any period allowed by law for the redemption from any sale ordered in said cause. Said receiver may be appointed irrespective of the value of the Premises or its adequacy or inadequacy to secure the indebtedness due or to

become due or irrespective of the solvency or insolvency of the Mortgagor. In the event of a default in any of the conditions of this Mortgage, the Mortgagee may also take possession of and hold the mortgaged Premises with or without process of law and collect the rents and profits therefrom, applying the same to the charges and payments due under the condition of the Mortgage so long as default shall continue, and such taking possession will in no way waive the right of the Mortgagee to foreclose this Mortgage because of any default.

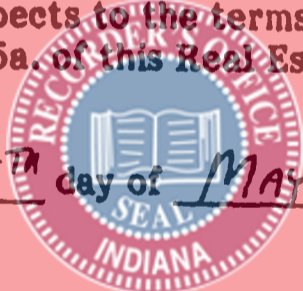
16. **Time of the Essence.** Time is of the essence of this Mortgage and the waiver of any rights or options, or any obligations secured by this Mortgage, will not at any time thereafter be deemed an abandonment of the rights and options of the Mortgagee. Notice of the exercise of any option granted to the Mortgagee by this Mortgage or by any related documents is not required to be given. All sums payable under this Mortgage or any related documents shall be made without relief from valuation and appraisal laws.

17. **Continuing Covenants.** All terms, conditions, and covenants contained in this Mortgage and in the related documents shall run with the land and shall bind the successors in interest of the Mortgagor. The taking of possession or control of the Premises by any person shall constitute evidence of his agreement to be bound by said terms, conditions, and covenants and the acceptance of any title interest in the realty shall render any person, firm or corporation personally liable to perform the terms of this Mortgage and of the related documents and pay all indebtedness secured thereby.

18. **Successors in Interest.** The provisions of this Mortgage and of the related documents shall bind, and the benefits and advantages thereof shall inure to the benefit of, the successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders as appropriate in the context.

19. **Priority of First Mortgage.** Anything to the contrary in this Real Estate Second Mortgage notwithstanding, all rights of the Mortgagee hereunder shall be subordinate and inferior in all respects to the terms and conditions of the First Mortgage identified at numerical paragraph 5a. of this Real Estate Second Mortgage.

Signed and dated on this 15th day of MAY, 1990.



Calumet National Bank, a National Banking Association, not personally, but as Trustee under the terms and conditions of that certain written agreement and declaration of Trust dated March 15, 1979, and identified as Trust No. P-2459

Barry E. Sloat
BY: Barry E. Sloat

ITS: Trust Officer

Executed and delivered by the Calumet National Bank; not in its individual capacity, but solely in the capacity herein described, for the purpose of binding the herein described property and it is expressly understood and agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made, are made and intended not as personal undertakings and agreements of the Trustee, or for the purpose of binding the Trustee personally, but executed and delivered by the Trustee solely in the exercise of the powers conferred upon it as such Trustee, and no personal liability or personal responsibility is assumed by, or shall at any time be asserted or enforced against said Trustee on account hereof or on account of any undertaking or agreement herein contained, either expressed or implied, all such personal liability, if any, being hereby expressly waived and released by all other parties hereto, and those claiming by, through, or under them.

