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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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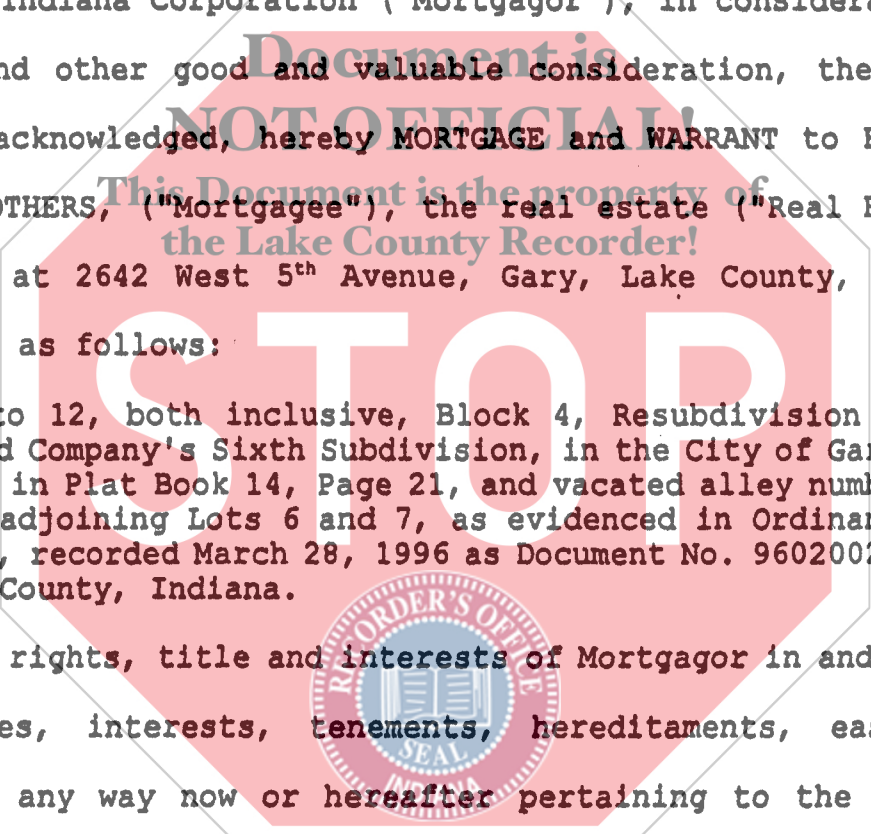
JUNIOR MORTGAGE ES W. CARTER  
RECORDER

Chicago Title Insurance Company

THIS INSTRUMENT ("Junior Mortgage") WITNESSETH: That DOCK, INCORPORATED, an Indiana Corporation ("Mortgagor"), in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby MORTGAGE and WARRANT to FRED FLORIOS D/B/A FLORIOS BROTHERS, ("Mortgagee"), the real estate ("Real Estate") and property located at 2642 West 5<sup>th</sup> Avenue, Gary, Lake County, Indiana and legally described as follows:

Lots 1 to 12, both inclusive, Block 4, Resubdivision of Gary Land Company's Sixth Subdivision, in the City of Gary, as shown in Plat Book 14, Page 21, and vacated alley number 27 West adjoining Lots 6 and 7, as evidenced in Ordinance No. 6607, recorded March 28, 1996 as Document No. 96020025, in Lake County, Indiana.

together with all rights, title and interests of Mortgagor in and to: (i) All rights, privileges, interests, tenements, hereditaments, easements and appurtenances in any way now or hereafter pertaining to the Real Estate ("Easements"); (ii) All buildings and other improvements of every kind and description now or hereafter placed on the Real Estate, together with all fixtures, machinery and other articles of personal property now or hereafter attached to or regularly used in connection with the Real Estate, and all replacements thereof ("Improvements"); (iii) All extensions, improvements,



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betterments, substitutes, replacements, renewals, additions and appurtenances of or to the Easements or Improvements ("Additions"); and (iv) All awards, payments or proceeds of conversion, whether voluntary or involuntary, of any of the foregoing, including, without limitation, all insurance, condemnation and tort claims ("Proceeds"). (Hereinafter, the Real Estate, Easements, Improvements, Additions, Rents, and Proceeds are referred to together as the "Mortgaged Property").

This Junior Mortgage is given to secure performance by Mortgagor of the covenants and agreements contained in this Junior Mortgage and to secure payment of: (i) the principal of and interest on the indebtedness evidenced by a certain promissory note ("Note"), dated the 8th day of October, 1999, executed and delivered by DOCK, INCORPORATED ("Maker") to Mortgagee in the principal sum of One Hundred Twenty-Five Thousand One Hundred Twenty Six & 84/100 Dollars (\$125,126.84), with the final payment due on the 31st day of October, 2002, with interest at nine percent (9%) per annum computed on the unpaid balance from time to time and any other amounts payable to Mortgagee pursuant to the terms and provisions of the Note ("Primary Debt"); (ii) all sums advanced and costs and expenses incurred by Mortgagee which are made or incurred pursuant to, or allowed by, the terms

of this Junior Mortgage, plus interest thereon at the default rate set forth in said Note ("Default Rate") from the date paid or incurred until reimbursement ("Advancements"); (iii) all costs of repossession, collection, disposition and reasonable attorneys' fees incurred by Mortgagee ("Costs"); (iv) all other indebtedness, obligations and liabilities of Borrower (and each of them, if more than one) to Mortgagee, now existing or hereafter arising, whether fixed or contingent, direct or indirect, primary or secondary, joint or several, and regardless of how created or evidenced ("Additional Liabilities"); and (v) any and all extensions of renewals of any of the foregoing indebtedness ("Extensions"). (Hereinafter, the Primary Debt, Advancements, Costs, Additional Liabilities and Extensions are referred together as the "Indebtedness").

Mortgagor hereby further covenants with the Mortgagee as follows:

1. Payment of Sums Due. Mortgagor covenants and agrees to promptly pay the principal of and interest on the Primary Debt and the other Indebtedness, as and when the payment(s) thereof become due, all without relief from valuation and appraisal laws and with attorney's fees.

2. Care and Condition of Mortgaged Property. Mortgagor shall (a) promptly repair, restore or rebuild the Mortgaged Property, or any portion

thereof, which is damaged or destroyed; (b) keep the Mortgaged Property in good condition and repair, without waste, and free from encroachments and from mechanic's or materialman's lien or claims for lien not expressly subordinated to this Junior Mortgage; (c) pay when due any indebtedness which may be secured by a lien or charge on the Mortgaged Property, whether or not superior to the lien of this mortgage and (d) comply with all requirements of law and covenants and restrictions of record applicable to the Mortgaged Property or its use.

3. Warranties. Mortgagor covenants and warrants that: (a) Mortgagor is lawfully seized of the Real Estate in fee simple, have valid and indefeasible title to the Mortgaged Property and have a good and legal right to convey and mortgage the Mortgaged Property; and (b) the Mortgaged Property is and will remain free from all liens and encumbrances except only mortgages and liens in favor of Mortgagee and any mortgage liens specifically identified in paragraph 17 of this Junior Mortgage (a "Prior Mortgage Lien"), and Mortgagor will warrant and defend title to the Mortgaged Property against all claims made thereon.

4. Insurance. Mortgagor will keep the Mortgaged Property insured against loss by fire, extended casualty, vandalism, malicious mischief and

such other hazards as reasonably may be required from time to time by Mortgagee for the benefit and protection of Mortgagee, including comprehensive and liability insurance (together, the "Required Insurance"). The Required Insurance shall be written in forms, amounts, and by companies reasonably satisfactory to Mortgagee, and losses thereunder shall be payable to Mortgagee pursuant to standard noncontributing mortgage endorsements in favor of Mortgagee. Any monies received as payment for any loss under any of the Required Insurance paid over to Mortgagee may be applied, at the option of Mortgagee, either to the repayment of any portion, as Mortgagee may select, of the Indebtedness, without premium, or to the reimbursement of Mortgagor for expenses incurred by Mortgagor in the restoration or repair of the Mortgaged Property. Proceeds paid or payable to Mortgagor of the Required Insurance shall be applied to restoration of the Mortgaged Property in such fashion as Mortgagee reasonably may require.

5. Taxes. Mortgagor will pay and discharge or cause to be paid and discharged when due, and before any penalty attaches, all taxes (including real and personal property taxes), general and special assessments, water and sewer rents or assessments, and all other governmental and municipal charges and impositions of any kind imposed upon or assessed against Mortgagor or the



Mortgaged Property, or any part thereof, or arising in respect of the occupancy, use or possession thereof.

6. Protection of Security by Mortgagee. Mortgagee may, at Mortgagee's option, but without any duty or obligation of any sort to do so and without in any way waiving or relieving any default by Mortgagor, make any payment and perform any act required of Mortgagor by this Junior Mortgage, including but not limited to, payment of insurance premiums, taxes, assessments, repair expenses, payments due on the first Mortgage lien and any other prior liens and encumbrances. All expenses so incurred, including reasonable attorneys' fees, and any other reasonable expenses incurred by Mortgagee to protect the Mortgaged Property shall constitute Advancements and shall be immediately due and payable by Mortgagor.

7. Transfer of Mortgaged Property. Mortgagor shall not, without the prior written consent of Mortgagee (which consent shall not be unreasonably withheld), lease, transfer, sell, contract to sell, or in any way further encumber all or any part of the Mortgaged Property.

8. Condemnation. If all or any part of the Mortgaged Property, is taken or damaged pursuant to an exercise, or threat of exercise, of the power of eminent domain, the entire proceeds of the award or compensation payable

in respect of the part so taken or damaged are hereby assigned to and shall be paid directly to Mortgagee. The proceeds of any award or compensation actually received by Mortgagee after deduction therefrom of all costs and expenses including reasonable attorneys' fees, incurred by Mortgagee in connection with the taking, at Mortgagee's option, shall be applied, without premium, in part or entirely to payment of the Indebtedness or to restoration of the Mortgaged Property.

9. Default and Acceleration. Time is of the essence of this Junior Mortgage. Upon the occurrence of any "Event of Default" (as hereinafter defined), and at any time thereafter, then, in any and every such case, the entire Indebtedness shall, at the option of Mortgagee, become immediately due and payable without any notice, presentment, demand, protest, notice of protest, or other notice of dishonor or demand of any kind, all of which are hereby expressly waived by Mortgagor, and Mortgagee shall have the right immediately to foreclose the mortgage lien created by this Junior Mortgage against the Mortgaged Property, to enforce every other security interest created by this Junior Mortgage and to institute any action, suit or other proceeding which Mortgagee may deem necessary or proper for the protection of

its interests. The following shall each constitute an "Event of Default" for purposes of this Junior Mortgage:

(a) Default: (i) in the payment when due of any of the Indebtedness, or (ii) in the performance of any covenant or term of this Junior Mortgage;

(b) Sale, contracting for sale, transfer or encumbrance of all or any part of the Mortgaged Property, without Mortgagee's prior written consent;

(c) If Mortgagor or Borrower (or any one of them, if more than one) become the subject of an order for relief under the United States Bankruptcy Code, takes any action to obtain relief under the United States Bankruptcy Code, files an answer admitting bankruptcy or insolvency or in any manner is adjudged bankrupt or insolvent;

(d) Any part of the Mortgaged Property or all or any substantial part of the property or assets of Borrower (or any one of them, if more than one) is placed in the hands of any receiver or trustee, or Borrower (or any one of them, if more than one) consents, agrees or acquiesces to the appointment of any such receiver or trustee;



(e) Institution of proceedings to enforce or foreclose any Mechanics' Lien or any other mortgage or lien upon all of any part of the Mortgaged Property.

10. Foreclosure and Application of Proceeds. All expenses which may be paid or incurred by or on behalf of Mortgagee in connection with the foreclosure of this Junior Mortgage for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and cost of procuring all title searches, policies and examinations and similar data and assurances with respect to title as Mortgagee reasonably may deem necessary to prosecute such suit shall constitute Advancements, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate, and shall be allowed and included as Indebtedness in the judgment for sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: First, on account of all Advancements incident to the foreclosure proceedings and all Costs; second, all other items which under the terms of this Junior Mortgage constitute Indebtedness additional to the Primary Debt; third, all principal, interest and other amounts remaining unpaid on the Primary Debt; and fourth, any remainder to the person or

persons entitled thereto as determined by the court in the foreclosure proceedings.

11. Foreclosure Proceedings and Receiver. Upon the commencement of any proceedings to foreclose this Junior Mortgage, Mortgagee shall be entitled forthwith to the appointment of a receiver or receivers, as a matter of right, without the giving of notice to any other party, without regard to the adequacy or inadequacy of any security for the Indebtedness and without the requirement of any bond. Mortgagee shall be entitled to recover judgment either before or after or during the pendency of any proceedings for the enforcement of this Junior Mortgage. The right of Mortgagee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of this Junior Mortgage, or the foreclosure of the lien of this Junior Mortgage.

12. No Exclusive Remedy. Each and every right, power and remedy conferred upon or reserved to Mortgagee in this Junior Mortgage is cumulative and shall be in addition to every other right, power and remedy given in this Junior Mortgage or now or hereafter existing at law or in equity. No delay or omission of Mortgagee in the exercise of any right, power or remedy

shall be construed to be a waiver of any Event of Default or any acquiescence therein.

13. Provisions Severable. In the event any one or more of the provisions of this Junior Mortgage for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Junior Mortgage shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in this Junior Mortgage.

14. Notices. All notices pursuant to this Junior Mortgage shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified United States mail, addressed to Mortgagor at the following address:

**Mortgagor:** Dock, Incorporated  
2642 West 5<sup>th</sup> Avenue  
Gary, Indiana 46404

and to Mortgagee at the following address:

**Mortgagee:** Fred Florios d/b/a Florios Brothers  
6950 East 83rd Avenue  
Crown Point, Indiana 46307

or at such other place as either party may, by notice in writing, designate as a place for service of notice.

15. Successors and Assigns. This Junior Mortgage shall (a) apply and extend to, be binding upon and inure to the benefit of Mortgagor, Mortgagor's heirs, administrators, successors and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" shall include all such persons, and (b) shall apply and extend to, be binding upon and inure to the benefit of Mortgagee and Mortgagee's successors and assigns. The word "Mortgagee" shall include the successors and assigns of Mortgagee, and the holder or holders, from time to time, of the Note and any other Indebtedness instruments.

16. Miscellaneous. The captions in this Junior Mortgage are for convenience only and do not define or limit the provisions of this Junior Mortgage. All changes to this Junior Mortgage must be in writing signed by Mortgagee and, if this Junior Mortgage is recorded, shall not be effective until being recorded. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

17. Identification of Prior Mortgage Lien. This mortgage is junior and subject to following prior mortgages:

a. A first mortgage to Mercantile National Bank of Indiana, Inc. in the sum of Five Hundred Eighty-Five Thousand Dollars (\$585,000.00) encumbering the subject real estate.

b. A second mortgage to Northwest Indiana Regional Development Company guaranteed by the United States Small Business Administration in the sum of Four Hundred Fifty Thousand Dollars (\$450,000.00) encumbering the subject real estate.

c. A third mortgage to Mercantile National Bank of Indiana in the sum of Seventy Thousand Five Hundred Dollars (\$70,500.00) encumbering the subject real estate.

d. A fourth mortgage to the Gary Economic Development Corporation in the sum of One Hundred Twenty Thousand Dollars (\$120,000.00) encumbering the subject real estate.

IN WITNESS WHEREOF, Mortgagor has executed this Junior Mortgage this 8th day of October, 1999.

MORTGAGOR:

DOCK, INCORPORATED

By: Doc C. Stalling  
Doc C. Stalling, President



STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

OCTOBER

Before me, the undersigned, a Notary Public in and for said County and State, this 2 day of ~~July~~ <sup>October</sup>, 1999, personally Doc C. Stalling, its President, and acknowledged the execution of the foregoing Junior Mortgage. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

This Document is the property of  
the Lake County Recorder

*W. B. Davis*  
William B. Davis, Notary Public  
A Resident of Lake County

My Commission Expires:  
August 5, 2006

STOP



This Instrument Prepared By: William B. Davis  
Attorney at Law  
8700 Broadway  
Merrillville, IN 46410

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