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**CONSTRUCTION MORTGAGE,
ASSIGNMENT OF LEASES AND
RENTS, SECURITY AGREEMENT
AND FINANCING STATEMENT**

2002 045322

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2002 MAY 15 AM 8:58

MORRIS W. CARTER
RECORDER

Prepared by and after recording mail to:

Todd M. Van Baren
Hoogendoorn & Talbot
122 South Michigan Avenue, Suite 1220
Chicago, IL 60603

Common Address of Property:

Approximately 18.811 acres of vacant
land north of Joliet Street, St. John,
Indiana 46373

THIS CONSTRUCTION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT ("Mortgage") is made as of May 9, 2002, by **TRAM DEVELOPMENT GROUP, INC.**, an Indiana corporation ("Mortgagor"), whose mailing address is as set forth herein, in favor of **SOUTH HOLLAND TRUST & SAVINGS BANK**, an Illinois banking corporation (together with its successors and assigns, hereinafter referred to, the "Mortgagee"), whose mailing address is as set forth herein.

WHEREAS, Mortgagee has agreed to extend to Mortgagor a loan (the "Loan") in the principal amount of Eight Hundred Thousand and No/100 Dollars (\$800,000.00) as evidenced by that certain Construction Note dated of even date herewith made by Mortgagor payable to the order of Mortgagee; and

WHEREAS, Mortgagor, pursuant to a Construction Loan Agreement ("Construction Loan Agreement") of even date herewith, desires to grant to Mortgagee a first priority construction mortgage on the Mortgaged Property on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Article 1

TERMS OF THE INDEBTEDNESS

1.1 Certain Terms of Indebtedness: The following is a summary of certain terms of the Indebtedness secured by this Mortgage. The term "Note" shall refer to that certain Construction Note of even date herewith made by Mortgagor payable to the order of Mortgagee in the principal amount of Eight Hundred Thousand and No/100 Dollars (\$800,000.00), together with any and all amendments, restatements, replacements, consolidations, substitutions, renewals, extensions and refinancings thereof. The interest rate and maturity date are as set forth in the Note, the terms of which are hereby incorporated by reference.

1.2 Definition of the Indebtedness: The term "Indebtedness" shall mean the indebtedness evidenced by the Note, including principal and interest thereon and all other sums which may be at any time due or owing or required to be paid thereunder; plus the performance, payment and observance by Mortgagor of each agreement, term, provision and condition under this Mortgage or the other Loan Documents, and all amendments, modifications, restatements, replacements, consolidations, substitutions, renewals, extensions, increases, and refinancings thereof; plus each and every promise, agreement, covenant, debt and all other indebtedness, liabilities and other obligations of Mortgagor owed to the Mortgagee, whether primary or secondary, contingent, direct or indirect, joint or several, howsoever incurred, created, arising or evidenced, whether presently or hereafter existing, evidenced, arising or becoming due; plus all costs and expenses of enforcement by Mortgagee of its rights and remedies hereunder and under any and all of the Loan Documents and collection of the Indebtedness; provided, however, the total unpaid principal amount of the Indebtedness at any one time shall not exceed two hundred percent (200%) of the face amount of the Note.

Article 2

DEFINITIONS

2.1 Definitions: The following terms shall have the following meanings (any other capitalized term used herein that is not expressly defined in this Article shall have the meaning as defined elsewhere in this Mortgage):

- (a) Awards: All awards and payments heretofore or hereafter made by any municipal, state or federal agency or authority to Mortgagor, including any awards or payments for any taking of the Mortgaged Property as a result of the exercise of the right of condemnation or eminent domain and any and all proceeds and payments heretofore or hereafter made by any insurance company as a result of any casualty or other event in connection with the Mortgaged Property.
- (b) Buildings: Any and all structures and on-site improvements, and any and all additions, alternations, betterments and appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the Real Estate or any part thereof.
- (c) Code: The Uniform Commercial Code as enacted in Indiana, IC 26-1-1-101, et. seq., as now or hereafter amended from time to time.
- (d) Contaminants: All of the following:
- (i) Those substances included within the definitions of "hazardous substance," "hazardous waste," "toxic substance," "solid waste," "pollutant" or "contaminant" in any Environmental Laws;
 - (ii) Any material, waste or substance which is any of the following:
(A) asbestos or any material composed of or containing asbestos; (B) polychlorinated biphenyls; (C) petroleum or any petroleum based substance or waste or any constituent of any such substance, waste or product; (D) highly flammable or explosive; or (E) radioactive; and

(iii) Those other substances, materials and wastes which are or become regulated under any Environmental Laws, or which are or become classified as hazardous or toxic by any Environmental Laws.

(e) Contracts: Any and all contracts, documents or agreements pertaining to the ownership, use, occupancy, development, design, construction, financing, operation, management, alteration, repair, marketing, sale, lease or enjoyment of the Mortgaged Property and all rights, privileges, authority and benefits thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder).

(f) Default Rate: The lesser of: (i) the interest rate of fifteen percent (15%) per annum, or (ii) the highest rate allowed to be charged or collected under applicable law.

(g) Event of Default: The occurrences defined in Article 9 of this Mortgage.

(h) Environmental Laws: Any federal, state or local law, statute, regulation or ordinance and any order, judgment or decree of any court or administrative body now or hereafter enacted or issued, relating to any Contaminants or pertaining to health, environmental or ecological conditions on, under or about the Mortgaged Property, including without limitation each of the following, as amended from time to time: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); the Resource Conservation and Recovery Act of 1976 ("RCRA"); the Toxic Substance Control Act; the Clean Air Act; the Federal Water Pollution Control Act; the Federal Hazardous Materials Transportation Act; the National Environmental Policy Act of 1975; and the rules, regulations and ordinances of the U.S. Environmental Protection Agency, the Indiana Department of Environmental Management and the County of Lake and of all other agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Mortgaged Property or the use of operation thereof.

(i) Fixtures: All fixtures, as defined in the Code, located on the Real Estate including, without limitation, all systems, fittings, structures, equipment, apparatus, fixtures and other improvements and items now or hereafter temporarily or permanently attached to, installed in or used in connection with any of the Buildings or the Real Estate, including, but not limited to, any and all partitions, hardware, motors, engines, boilers, furnaces, pipes, plumbing, conduit, sprinkler systems, fire extinguishing equipment, elevator equipment, telephone and other communications equipment, security equipment, master antennas and cable television equipment, water tanks, heating, ventilating, air conditioning and refrigeration equipment, laundry facilities, and incinerating, gas and electric machinery and equipment.

(j) Governmental Authority: Any and all courts, boards, agencies, commissions, offices or other authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise) or arbitration authority, whether now or hereafter in existence.

(k) Impositions: All (i) general and special real estate and personal property taxes and assessments, water and sewer rates and charges, and all other governmental charges and any interest or costs or penalties with respect thereto, (ii) charges for any easement or agreement maintained for the benefit of the Mortgaged Property which at any time prior to or after the execution of the Loan Documents may be assessed, levied or imposed upon the Mortgaged Property or the rent or income received therefrom or any use or occupancy thereof, and (iii) other

taxes, assessments, fees and governmental charges levied, imposed or assessed upon or against Mortgagor in connection with the Mortgaged Property.

- (l) Improvements: The Buildings together with all improvements thereto.
- (m) Leases: Any and all leases, subleases, licenses, concessions or grants of other possessory interests, whether written or oral, now or hereafter in force, covering or affecting the Mortgaged Property, or any part thereof or interest therein, together with all rights, powers, privileges, options and other benefits of Mortgagor thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder).
- (n) Legal Requirements: The terms, covenants, conditions and restrictions now or hereafter existing to which Mortgagor may be bound or to which the Mortgaged Property is subject under (i) any and all present and future statutes, laws, rulings, opinions, rules, regulations, codes, permits, certificates, approvals, ordinances, judicial decisions or orders of any Governmental Authority in any way applicable to Mortgagor or the Mortgaged Property, and the ownership, use, occupancy, possession, development, design, construction, financing, operation, maintenance, alteration, repair, marketing, sale, lease or enjoyment thereof, including without limitation, any related to zoning, building, utility service, sewer service, fire safety, land and water use, subdivision control, environmental protection, occupational health and safety or flood hazard; (ii) any and all Leases; (iii) any and all Contracts; and (iv) any and all other easements, covenants, conditions, restrictions, options, installment contracts or other contracts and agreements (written or oral) of any nature to which Mortgagor may be bound or to which the Mortgaged Property may be subject.
- (o) Loan Documents: This Mortgage, the Note, the Construction Loan Agreement, the Assignment of Leases and Rents and the Environmental Indemnity Agreement, all of even date herewith, and any and all other documents now or hereafter evidencing or securing the payment of the Indebtedness or the observance or performance of the Obligations, and any and all amendments, modifications, restatements, replacements, substitutions, renewals, extensions and increases thereto whether heretofore or hereafter entered into in connection therewith.
- (p) Mortgaged Property: The Real Estate, Fixtures, Leases, Contracts, Rents, Awards and Personalty together with: (i) any and all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances of the Real Estate belonging or in anyway appertaining thereto, and all right, title and interest of Mortgagor in and to any streets, ways, strips or gores of land adjoining the Real Estate or any part thereof; and (ii) any and all betterments, additions, appurtenances, substitutions, replacements and after acquired title or interests thereof and all reversions and remainders therein.
- (q) Mortgagee: The above named Mortgagee and any and all successors, transferees, assignees and subsequent holders of the Note or other Loan Documents.
- (r) Mortgagee's Address: 16178 South Park Avenue, South Holland, Illinois 60473, Attention: Christopher B. Brokemond.
- (s) Mortgagor: The above named Mortgagor and any and all successors, transferees, assignees and subsequent owners of the Mortgaged Property.

(t) Mortgagor's Address: P. O. Box 10144, Merrillville, Indiana 46411, Attention: Richard C. Wolf.

(u) Obligations: Any and all of the covenants, conditions, warranties, representations and other obligations (other than the obligation to repay the Indebtedness) of Mortgagor or others to Mortgagee under or as set forth in this Mortgage or the other Loan Documents and under the Legal Requirements, whether heretofore or hereafter existing, and whether primary or secondary, direct or indirect, absolute or contingent, including the enforcement by Mortgagee of its rights and remedies under any and all of the Loan Documents (including all costs, expenses and reasonable attorneys' fees and expenses incurred by Mortgagee).

(v) Permitted Exceptions: The encumbrances and title exceptions specifically described in Exhibit B attached hereto and made a part hereof.

(w) Personalty: All right, title and interest of Mortgagor in and to all furniture, furnishings, equipment, machinery, goods, inventory and all other tangible personal property and any intangibles of any kind or character as defined in the provisions of the Uniform Commercial Code now or hereafter located upon, within or about the Real Estate and the Buildings, or used or useful in connection therewith, together with all existing or future accessories, replacements and substitutions thereto or therefor and the proceeds therefrom, including, but not limited to: (i) all furniture, furnishings and equipment; (ii) all building materials and equipment intended to be incorporated in the improvements now or hereafter to be constructed on the Real Estate, whether or not yet incorporated in such improvements; (iii) all machinery, apparatus, systems, equipment or articles used in supplying heating, gas, electricity, ventilation, air conditioning, water, light, power, refrigeration, fire protection, elevator service, telephone and other communication service, master antennas and cable television service, waste removal and all fire sprinklers, smoke detectors, alarm systems, security systems, electronic monitoring equipment and devices; (iv) all window or structural cleaning and maintenance equipment; (v) all indoor and outdoor furniture, including tables, chairs, planters, desks, sofas, shelves, lockers, cabinets, wall safes and other furnishings; (vi) all rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, window shades, blinds and curtains; (vii) all lamps, chandeliers and other lighting fixtures; (viii) all recreational equipment and materials; (ix) all office furniture, equipment and supplies; (x) all kitchen equipment and appliances, including refrigerators, ovens, dishwashers, range hoods and exhaust systems and disposal units; (xi) all laundry equipment, including washers and dryers; (xii) all tractors, mowers, sweepers, snow removal equipment and other equipment used in maintenance of interior and exterior portions of the Real Estate or the Buildings; and (xiii) all other maintenance supplies and inventories; provided that, the enumeration of any specific articles of personalty set forth above shall in no way exclude or be held to exclude any items of property not specifically enumerated, and that any of the foregoing items that do not constitute personal property but constitute fixtures under applicable law shall be included in the definition of the term "Fixtures" as used herein.

(x) Real Estate: The Real Estate owned in fee simple absolute by the Mortgagor, commonly known as approximately 18.811 acres of vacant land north of Joliet Street, St. John, Indiana 46373, legally described on Exhibit A attached hereto and made a part hereof, which real estate is partially improved with a residential apartment building.

(y) Rents: All of the rents, revenues, income, profits, deposits and other benefits payable under the Leases and/or otherwise arising from or out of the Mortgaged Property or out

of the ownership, use, enjoyment or disposition of all or any portion of the Mortgaged Property or interest therein.

Article 3

GRANT

3.1 Grant: To secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Mortgagor by these presents hereby GRANTS, BARGAINS, SELLS, ASSIGNS, MORTGAGES and CONVEYS unto Mortgagee the Mortgaged Property, subject only to the Permitted Exceptions, to have and to hold the Mortgaged Property unto Mortgagee, its successors and assigns forever, free and clear from all rights and benefits under and by virtue of the homestead exemption laws of the State of Indiana (which rights and benefits are hereby expressly released and waived to the fullest extent allowed by law) and Mortgagor does hereby warrant that Mortgagor is well and lawfully seized of good, absolute and indefeasible fee simple absolute title to the Real Estate, free and clear of all mortgages, liens, charges, security interests and encumbrances whatsoever, except the Permitted Exceptions, and does hereby bind itself, its successors and assigns to warrant and forever defend fee simple absolute title to the Real Estate unto Mortgagee, and the quiet and peaceful enjoyment and possession thereof, against every person whomsoever claiming the same or any part thereof or interest therein.

3.2 Condition of Grant: If Mortgagor shall pay or cause to be paid the Indebtedness as and when the same shall become due and payable and shall observe, perform and discharge the Obligations in accordance with this Mortgage and the other Loan Documents, then this Mortgage and the other Loan Documents and the estates and rights granted by them (except as otherwise expressly provided therein) shall be released and terminated by Mortgagee.

This Document is the property of
the Lake County Recorder!

Article 4

ASSIGNMENT OF LEASES AND RENTS

4.1 Assignment of Leases and Rents: To further secure the full and timely payment of Indebtedness and the full and timely performance and discharge of the Obligations, Mortgagor hereby sells, assigns and transfers unto Mortgagee all of the Leases and Rents now due and which may hereafter become due under or by virtue of any of the Leases which may have been heretofore or may be hereafter made or agreed to by Mortgagor, or the agents of Mortgagor, it being the intention hereby to establish an absolute and present transfer and assignment of all such Leases and all Rents and avails thereunder, to Mortgagee; provided, however, the acceptance by Mortgagee of the foregoing assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking possession of the Mortgaged Property by Mortgagee, be deemed or construed to constitute Mortgagee a "Mortgagee in Possession," nor thereafter or at any time or in any event obligate Mortgagee to appear in or defend any actions thereunder, to expend any money, incur any expenses, or perform or discharge any obligation, duty or liability under the Leases or to assume any obligation or responsibility for any security deposits or other deposits delivered to Mortgagor thereunder. So long as no Event of Default shall exist, Mortgagee shall not demand from any tenants under the Leases any Rents or avails hereby assigned arising from or out of said Leases or any renewals, extensions or replacements thereof, or from or out of the Mortgaged Property or any part thereof, but shall permit the Mortgagor to collect, but not prior to accrual, all such Rents and avails and enjoy the same; provided that, notwithstanding the foregoing, all tenants under the Leases shall comply with any demand for Rents or avails made by Mortgagee without inquiring or investigating as to

whether such demand is made in compliance herewith. A demand by Mortgagee to any tenant shall be sufficient direction to said tenant to make future payments of Rents and avails to Mortgagee without the necessity for further consent by, or notice to, Mortgagor. Any leases of the Property permitted hereunder shall at all times remain subject and subordinate to the lien of the Mortgage and the security interests in favor of Mortgagee contemplated hereby. Reference is hereby made to that certain Assignment of Leases and Rents of even date herewith executed by Mortgagor to Mortgagee that sets forth in more detail the terms and conditions of said assignment, which are hereby incorporated by reference.

Article 5

SECURITY AGREEMENT

5.1 **Security Agreement:** This Mortgage shall be construed as a mortgage on real property and it shall also constitute and serve as a "security agreement" on personal property and shall constitute a grant of (until the grant of this Mortgage shall terminate) a security interest under the Code with respect to the following (collectively hereinafter referred to as the "Collateral"): the Personalty, Fixtures, Contracts, Awards, Leases and Rents which do not form a part of the Real Estate covered by this Mortgage; all sums at any time on deposit for the benefit of Mortgagee or held by the Mortgagee (whether deposited by or on behalf of the Mortgagor or anyone else) pursuant to any of the Loan Documents; and all replacements of, substitutions for, additions to and the cash and non-cash proceeds of the foregoing. To that end, Mortgagor hereby GRANTS, BARGAINS, CONVEYS, ASSIGNS, TRANSFERS and SETS OVER unto Mortgagee a security interest in and to any and all of Mortgagor's right, title and interest in and to the Collateral to secure the full and timely payment of the Indebtedness and the full and timely performance of the Obligations. All the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Mortgaged Property. The following provisions of this Article shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

- (a) Mortgagor (being the "debtor" as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof and Permitted Exceptions.
- (b) The Collateral will be kept on the Real Estate, and will not be removed therefrom without the consent of Mortgagee (being the "secured party" as that term is used in the Code) by Mortgagor or any other party and the Collateral may be affixed to the Real Estate but will not be affixed to any other real estate. The Collateral is to be used by Mortgagor solely for business purposes.
- (c) The only persons having any interest in the Collateral are Mortgagor and Mortgagee.
- (d) No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto. Mortgagor will at its own cost and expense, upon demand, furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may at any time or from time to time request or as may be necessary or appropriate to establish and maintain a valid and perfected first priority security interest in the Collateral as security for the Indebtedness and Obligations, subject to no other liens or

encumbrances, other than liens or encumbrances benefitting Mortgagee and liens and encumbrances which are Permitted Exceptions. Mortgagor shall pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable.

(e) Upon any Event of Default hereunder, the Mortgagee at its option may declare the Indebtedness and Obligations immediately due and payable, all as more fully set forth herein below, and Mortgagee shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate such removal shall be subject to the conditions stated in the Code). Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code, or may set off against sums held on deposit for the benefit of Mortgagee or held by Mortgagee. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Mortgaged Property. Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least ten (10) days notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. One publication for such notice shall be sufficient, and the Mortgagee shall have the right to adjourn the sale at any time and reschedule the same without further notice, so long as Mortgagee mails a notice of such adjournment to Mortgagor prior to the adjournment date. Mortgagee may buy at any public sale. Mortgagee may buy at a private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Mortgaged Property. If Mortgagee so elects, the Mortgaged Property and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorney's fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness and Obligations in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

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

(g) This Mortgage also is intended to be a financing statement within the purview of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Mortgaged Property. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinabove set forth. This Mortgage is to be filed for record with the Recorder of Deeds of the County where the Real Estate is located. Mortgagor is the record owner of the Real Estate.

Article 6

REPRESENTATIONS AND WARRANTIES

Mortgagor hereby represents and warrants to Mortgagee as of the date hereof and as of all dates hereafter that:

6.1 Environmental Matters. With respect to the Mortgaged Property: (a) neither Mortgagor, nor to the best of Mortgagor's knowledge, any other person or entity has caused or permitted any Contaminants to be generated, released, stored, disposed of, buried or deposited over, beneath, in or upon, the Mortgaged Property or any part thereof or from the Mortgaged Property into the atmosphere or any watercourse, body of water, ground water, or well; or, to the best of Mortgagor's knowledge, over, beneath, in or on adjacent parcels or parcels in the immediate vicinity of the Mortgaged Property; or, to the best of Mortgagor's knowledge, to have been used in the construction of Improvements of any nature whatsoever on the Mortgaged Property; (b) Mortgagor's operations and the Mortgaged Property are in compliance with all Environmental Laws; (c) no permits are held or required to be held nor are any registrations or notices required to be made with respect to the Mortgaged Property under any Environmental Laws; (d) none of the Mortgaged Property has ever been used (whether by Mortgagor or, to the best of Mortgagor's knowledge, by any other person) as a treatment, storage or disposal, whether permanent or temporary, site for any Contaminants; (e) Mortgagor has not received any notice of any violations of (and it is not aware of any existing violations) of any Environmental Laws and, to the best of Mortgagor's knowledge, there have been no actions commenced or threatened by any party against Mortgagor or the Mortgaged Property for noncompliance with any Environmental Laws; and (f) no lien, encumbrance or preferential arrangement of any kind for any liabilities arising under any Environmental Laws has attached to, or been asserted against, all or any portion of the Mortgaged Property.

6.2 Permits and Approvals. All permits, certificates, approvals and licenses required for or in connection with the ownership, use, occupancy or enjoyment of the Mortgaged Property, or in connection with the organization, existence and conduct of the business of Mortgagor have been duly and validly issued and are and shall at all times hereafter be in full force and effect.

6.3 No Violation of Legal Requirements. Neither the contemplated use, occupancy or operation of the Mortgaged Property, nor the organization, existence and conduct of the business of Mortgagor, violates or will then violate any Legal Requirements to which the Mortgagor may be bound or to which the Mortgaged Property may be subject. Mortgagor shall promptly notify Mortgagee, in writing, of its receipt of any notice of a violation of any Legal Requirements, within thirty (30) days after receiving notice of any violation of any Legal Requirement. Mortgagor shall cure or cause to be cured any such violations. Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from all loss, cost, damage, claim and expense incurred by Mortgagee on account of Mortgagor's failure to perform the obligations of this subparagraph.

6.4 Ownership. Mortgagor is the sole owner of, and has clear fee simple title to, the Mortgaged Property, subject only to the Permitted Exceptions. Mortgagor is an Indiana corporation duly organized, legally existing and in good standing.

6.5 Authorization. The execution and delivery of the Loan Documents have been duly authorized by all necessary director and shareholder resolutions, the undersigned has been duly appointed and authorized to execute the Loan Documents, and the Loan Documents constitute valid and binding obligations of the parties executing the same and are enforceable in accordance with their respective terms,

subject only to any applicable bankruptcy, insolvency, reorganization or moratorium law, or other laws affecting creditors' rights generally.

6.6 Conflicts. Neither the execution, delivery nor performance of the Loan Documents will violate or conflict with any law, rule, regulation, order, judgment, organizational documents, indenture, instrument or agreement by which Mortgagor or the Mortgaged Property are bound.

6.7 Compliance. The Mortgaged Property complies with any and all applicable laws, ordinances, regulations or orders of any kind (including, without limitation, the Americans with Disabilities Act, zoning laws, environmental regulations and conditions, grants, easements, covenants, conditions or restrictions).

6.8 Litigation. There is no litigation or proceedings pending or, to Mortgagor's knowledge, threatened against or affecting the Mortgagor or the Mortgaged Property, or any circumstance existing which would in any manner materially and adversely affect the Mortgaged Property, the priority of the liens and security interests granted by, or the enforceability of the Loan Documents, or the ability of the Mortgagor to perform Mortgagor's obligations under the Loan Documents. There are no unsatisfied judgments against Mortgagor.

6.9 Accuracy of Information. No information, certification or report submitted to the Mortgagee by Mortgagor or its agents in connection with this Mortgage or in applying for the loan hereby secured contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the information not misleading.

6.10 Defaults. No Event of Default, or event which with the giving of notice or passage of time or both would become an Event of Default, exists under any of the Loan Documents, or any other agreement or instrument to which Mortgagor is a party or an obligor.

6.11 Financial Statements. The financial statements of Mortgagor delivered to Mortgagee were prepared in accordance with sound accounting principles consistently applied and completely and accurately represent the financial condition of the Mortgagor. No material adverse change has occurred in the financial condition of the Mortgagor since the date thereof.

6.12 Taxes. Mortgagor has filed all required federal, state and local tax returns and paid all taxes due pursuant to said returns or any assessments against Mortgagor and, with regard to the Property, taxes are current except for those taxes being contested in good faith and for which adequate reserves have been provided.

6.13 Continuing Representations and Warranties. All representations, warranties, covenants and agreements made herein or in any certificate or other document delivered to Mortgagee by or on behalf of Mortgagor shall be deemed to have been relied upon by Mortgagee, notwithstanding any investigation heretofore or hereafter made by Mortgagee or on its behalf, and shall survive the making of any or all of the disbursements contemplated hereby and shall continue in full force and effect as long as there remains unperformed any obligation to the Mortgagee hereunder or under any of the Loan Documents.

Article 7

COVENANTS

Until the entire Indebtedness shall have been paid and the Obligations performed in full, Mortgagor hereby unconditionally covenants and agrees as follows:

7.1 Payment and Performance. Mortgagor shall pay the Indebtedness, as and when all or any payment thereunder is due and shall perform or cause to be performed all of the Obligations in full on or before the dates the Obligations or any part thereof are required to be performed, and shall commit or suffer no act or event which (upon the giving of notice or the passage of time, or both) would constitute an Event of Default.

7.2 Compliance with Laws. Mortgagor will promptly and faithfully comply with all present and future laws, ordinances, rules, regulations and requirements, and all other Legal Requirements, including, without limitation, applicable zoning, building, land use, occupational health and safety, hazardous waste and substances, and environmental requirements, of every Governmental Authority and of every Board of Fire Underwriters having jurisdiction, or similar body exercising similar functions, which may be applicable to it or to the Mortgaged Property, or any part thereof, or to the use, occupancy, possession, operation, maintenance, alteration, repair, reconstruction or disposition of the Mortgaged Property, or any part thereof or interest therein. Mortgagor shall immediately notify Mortgagee, orally and in writing, of its receipt of any notice of a violation of any Legal Requirements.

7.3 Payment of Impositions. Mortgagor will duly pay and discharge, or cause to be paid and discharged, the Impositions, such Impositions or installments thereof to be paid not later than the day any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof. Mortgagor shall, upon request of Mortgagee, furnish proof to Mortgagee by means of duplicate receipts that such Impositions have been paid.

7.4 Maintenance and Repair. Mortgagor shall (i) constantly maintain the Mortgaged Property in high quality and first-class condition and make all repairs and replacements thereof and additions and improvements thereto as are necessary or appropriate under sound management practices, or as Mortgagee shall require; and (ii) prevent any act or thing which might impair or diminish the value or usefulness of the Mortgaged Property or the Improvements.

7.5 Insurance. Mortgagor shall procure for, deliver to and maintain for the benefit of Mortgagee during the term of this Mortgage all such insurance as may be required by Mortgagee from time to time, including without limitation:

(a) Casualty. Fire and extended coverage in an amount equal to the greater of one hundred percent (100%) of the value of all improvements or the amount of the Loan. Mortgagee shall be named as a loss payee and an additional insured under such policy.

(b) Liability. Comprehensive general liability insurance covering Mortgagor in such amounts as Mortgagee may require but in no event less than One Million Dollars (\$1,000,000) bodily injury and/or property damage liability per occurrence. Mortgagee shall be named as an additional named insured under such policy.

(c) Worker's Compensation. Worker's compensation insurance in accordance with the requirements of Indiana law.

(d) General Requirements. The originals of all policies shall be deposited with Mortgagee, together with any endorsements thereto and evidence of payment of premium, and must be with a company or companies acceptable to Mortgagee. All insurance shall be kept in full force until the Loan is repaid in full. All policies shall further contain provisions giving Mortgagee thirty (30) days prior written notice of any termination or modification of the policy. Casualty policies shall name Mortgagee as a mortgagee loss payee and an additional insured. Mortgagee may require that the premiums on such policies be paid in monthly installments with the Impounds as set forth herein below.

If Mortgagor fails to provide the insurance required by the Mortgage or if any policy is canceled, reduced, or not renewed, Mortgagee may, but shall not be obligated to, obtain such insurance, and the cost thereof shall be additional Indebtedness of Mortgagor to Mortgagee secured hereby bearing interest at the Default Rate. Mortgagor will promptly upon demand pay directly to or reimburse Mortgagee for all premiums and other costs incurred in procuring such insurance. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment in whole or in part of the Indebtedness, all right, title and interest of Mortgagor in and to such policies then in force concerning the Mortgaged Property, and all proceeds payable thereunder, shall thereupon vest in the purchaser at such foreclosure or in Mortgagee in the event of such transfer.

7.6 Adjustment of Casualty Losses with Insurer. Mortgagor hereby assigns to Mortgagee all proceeds from any insurance policies pertaining to the Mortgaged Property, and Mortgagee is hereby authorized and empowered, at its option, to make or file proofs of loss or damage and to adjust or compromise any loss, and to collect and receive the proceeds from any such policies; provided, however, Mortgagee shall not be held responsible for any failure to collect any insurance proceeds regardless of the cause of failure.

7.7 Application of Casualty Insurance Proceeds. In the event of any insured loss, Mortgagor shall give immediate written and oral notice thereof to Mortgagee and to the insurer. Mortgagee may require that the payment for such loss be paid directly to Mortgagee only and not jointly to Mortgagor and Mortgagee. Mortgagee may, at its option, apply the proceeds to the reduction of the Indebtedness or may release the same to Mortgagor to be applied to the restoration or repair of the Mortgaged Property. Mortgagor agrees that if the proceeds are to be applied toward restoration, Mortgagor shall expeditiously proceed to so repair or restore the Mortgaged Property. If Mortgagee does elect to apply such proceeds in payment or reduction of the Indebtedness secured hereby, whether due or not, and if the same are insufficient to pay such amount in full, Mortgagee shall have the right and option to declare the entire balance of the Indebtedness remaining unpaid to be immediately due and payable.

7.8 Condemnation Proceeds. All Awards shall be paid to Mortgagee and, after deducting from said Awards all of its expenses in the collection and administration of said sums, Mortgagee shall have the right, at its option, to apply the net proceeds in payment of the Indebtedness (whether then matured or to mature in the future), either in whole or in part (in such order as Mortgagee shall deem proper), or to require the Mortgaged Property so affected by such condemnation to be repaired or restored by the use of such proceeds in the same manner and under the same terms and limitations as provided in the preceding Section. Mortgagor agrees that if the proceeds are to be applied toward restoration, Mortgagor shall expeditiously proceed to so repair or restore the Mortgaged Property. Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute, in its own name or in Mortgagor's name, any such

proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. Mortgagor hereby assigns and transfers to Mortgagee all Awards up to the amount of the Indebtedness and the claims, rights and proceedings in connection therewith. Mortgagor agrees to execute such further assignments of all Awards and claims, rights and proceedings in connection therewith as Mortgagee may request. Mortgagee shall not be held responsible for any failure to collect any amount in connection with any such proceeding regardless of the cause of failure.

7.9 Performance of Agreements. Mortgagor will duly and punctually perform all covenants and agreements under any leases and any other agreements to which it is respectively a party with respect to the Mortgaged Property or any part thereof.

7.10 Inspection. Mortgagor will permit Mortgagee, at all reasonable time, to inspect the Mortgaged Property.

7.11 Hold Harmless. Mortgagor will indemnify, defend and hold Mortgagee and its officers, directors, employees and agents harmless from any action, proceeding or claims affecting or connected with the Mortgaged Property or the Loan Documents, except such actions, proceedings or claims resulting from the gross negligence or wilful misconduct of Mortgagee, its officers, directors, employees or agents.

7.12 Books and Records. Mortgagor will maintain full and complete books and records reflecting the results of its operations of the Mortgaged Property in accordance with sound accounting principles consistently applied, and all such books and records shall be subject to inspection by the Mortgagee and its representatives from time to time.

7.13 Lien Status. Mortgagor shall protect the lien and security interest of this Mortgage and the Loan Documents and shall not place, or permit to be placed, or otherwise mortgage, pledge, hypothecate or encumber the Mortgaged Property with any other lien, attachment, levy, or security interest of any nature whatsoever (whether mechanic's, judgment, tax, statutory, contractual or other) regardless of whether the same is allegedly or expressly subordinate and inferior to the liens and security interest created by this Mortgage and the Loan Documents, except for the Permitted Exceptions, and if any such lien or security interest is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its own cost and expense, pay the underlying claim in full, or appear in and defend any action or claim, or take such other action so as to cause the same to be released within thirty (30) days of when asserted, made or filed.

7.14 Restrictions on Transfer and Financing. Mortgagor shall not sell, transfer, exchange, convey, assign, mortgage, pledge, hypothecate, make the subject of any security interest, or otherwise dispose of the Mortgaged Property, any portion thereof or any legal or equitable interest therein without the prior written consent of Mortgagee in each instance, to be granted or withheld in its sole discretion. A sale shall be deemed to include any installment sale. Any such sale, transfer, assignment, conveyance, lease, lien, pledge, mortgage, hypothecation or any other encumbrance or alienation or contract or agreement to do any of the foregoing shall be null and void and of no force or effect, but the attempted making thereof shall, at the option of Mortgagee, constitute an Event of Default hereunder. Any consent or waiver by Mortgagee hereunder shall not constitute a consent to or waiver of any right, remedy, or power of Mortgagee upon such a subsequent event. Notwithstanding the foregoing, Mortgagee hereby consents to Mortgagor granting a lien to the seller of the Mortgaged Property in connection with Mortgagor's acquisition thereof, provided that such lien shall be and remain expressly subordinate to the lien of this Mortgage and shall not exceed ten percent of the purchase price.

7.15 Use Restrictions. Mortgagor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Mortgaged Property in any manner which would: (a) be dangerous unless safeguarded as required by law; (b) constitute a public or private nuisance; (c) make void, voidable or cancelable, or increase the premium of, any insurance then in force with respect thereto; or (d) alter the currently allowed use and occupancy of the Mortgaged Property.

7.16 Replacement of Fixtures and Personalty. Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personalty to be removed at any time from the Real Estate.

7.17 Deposits for Impositions. In order to assure the payment of Impositions as and when the same shall become due and payable:

(a) The Mortgagor shall deposit with the Mortgagee in a non-interest bearing account on the tenth day of each and every month, commencing with the date the first payment is due on the Indebtedness, an amount equal to one-twelfth (1/12) of the annual Impositions next to become due upon the Mortgaged Property; provided that, in addition there also shall be deposited into such account, upon execution hereof, a reasonable amount determined by Mortgagee to initially fund such account.

(b) The amount of such deposits (herein generally called "Impounds") shall be based upon Mortgagee's reasonable estimate as to the amount of Impositions next to be payable, and all Impounds shall be held by the Mortgagee without allowance of interest thereon.

(c) The aggregate of the monthly Impounds, together with monthly payments on the Note, shall be paid in a single payment each month.

(d) The Mortgagee will, out of the Impounds, upon the presentation to the Mortgagee by the Mortgagor of the bills therefor, pay the Impositions or will, upon presentation of the receipted bills, reimburse the Mortgagor for such payments made by the Mortgagor. If the total Impounds on hand shall not be sufficient to pay all of the Impositions when the same shall become due, then the Mortgagor shall pay to the Mortgagee on demand any amount necessary to make up the deficiency. If the total of such Impounds exceeds the amount required to pay the Impositions, then such excess shall be credited on subsequent payments to be made for such items.

(e) In the event of a default in any of the provisions contained in this Mortgage, the Mortgagee may, at its option, without being required so to do, apply any Impounds on hand on any of the Indebtedness, in such order and manner as the Mortgagee may elect. When the Indebtedness has been fully paid, then any remaining Impounds shall be paid to the Mortgagor. All Impounds are hereby pledged as additional security for the Indebtedness, shall be held in escrow to be irrevocably applied for the purposes herein provided, and shall not be subject to the direction or control of the Mortgagor.

Article 8

CONSTRUCTION MORTGAGE AND CONSTRUCTION COVENANTS

8.1 **Construction Mortgage.** This Mortgage secures obligations incurred for the acquisition of, and construction of improvements on, the Real Estate and constitutes a "Construction Mortgage" within the meaning of the Code. The Note which is secured by this Mortgage evidences a debt created by one or more disbursements made by Mortgagee to Mortgagor for the purpose of financing a portion of the costs in connection with the acquisition of, and construction of improvements on, the Real Estate. All funds advanced pursuant to the Construction Loan Agreement shall constitute part of the Indebtedness and shall be secured by this Mortgage. Mortgagor hereby covenants and agrees to perform or cause to be performed and fulfilled, all the terms, covenants and conditions of the Construction Loan Agreement, and the occurrence of any default or Event of Default under the Construction Loan Agreement, taking into account all applicable cure periods, shall constitute an Event of Default under this Mortgage. The Construction Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. In the event of express and direct contradiction between any of the provisions of the Construction Loan Agreement and any of the provisions contained herein, the provisions contained in the Construction Loan Agreement shall control. Any warranties, representations and agreements made in the Construction Loan Agreement by Mortgagor shall survive the execution and recording of this Mortgage and shall not merge herein.

8.2 **Construction Covenants.** Mortgagor will, for the benefit of Mortgagee, fully and promptly perform each obligation and satisfy each condition imposed on it under any contract for construction, subcontracts, or other agreement, if any such agreements exist or are hereafter entered into with respect to all or any portion of the Mortgaged Property, so that there will be no default thereunder and so that the persons obligated thereon shall be and remain at all times obligated to perform for the benefit of Mortgagee and Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such person to avoid such performance. Mortgagee may, in its sole discretion at any time after the occurrence of an Event of Default, notify any person obligated to Mortgagor under or with respect to any contract for construction, subcontract or other agreement of the existence of an Event of Default, require that performance be made directly to Mortgagee at the Mortgagor's expense, and advance such sums as are necessary or appropriate to satisfy Mortgagor's obligations thereunder. Mortgagor agrees to cooperate with Mortgagee in all ways reasonably requested by Mortgagee to accomplish the foregoing.

8.3 **Hold Harmless.** Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge any obligation, duty or liability of Mortgagor, whether hereunder, under any contract for construction, subcontract or otherwise, and Mortgagor shall and does hereby agree to indemnify, defend and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may incur under or with respect to any of the contracts for construction, subcontracts, or other agreements or under or by reason of its exercise of rights hereunder, other than those arising out of or related to the gross negligence or willful misconduct of Mortgagee.

Article 9

EVENTS OF DEFAULT

The term "Event of Default" shall mean the occurrence or happening, at any time and from time to time, of any one or more of the following, which is not cured within ten (10) days of written notice thereof to Mortgagor (except for a default under Section 9.1 as to which only the grace and cure periods expressly set forth in the Note shall be applicable), which cure period shall run concurrently with (and shall not be in addition to) any other cure period expressly made applicable thereto:

9.1 Payment of Indebtedness. If Mortgagor shall default in the due and punctual payment of all or any portion of any installment of principal or interest on the Indebtedness as and when the same shall become due and payable, after the expiration of any grace and cure period expressly made applicable thereto in the Note.

9.2 Performance of Obligations. If any other event of default occurs under any of the Loan Documents, as such events of default are therein defined, or if Mortgagor shall default in the due observance or performance of any of the other Obligations as and when required.

9.3 Laws Affecting Obligations and Indebtedness. If subsequent to the date of this Mortgage, any law is passed which renders payment of the Indebtedness and/or performance of the Obligations by Mortgagor unlawful, or which prohibits Mortgagee from exercising any of its rights and remedies hereunder.

9.4 Foreclosure of Other Liens. If the holder of a junior or senior mortgage or other lien on the Mortgaged Property (without hereby implying Mortgagee's consent to any such junior or senior mortgage or other lien) declares a default or institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

9.5 Damage or Destruction. If the Mortgaged Property or any material part thereof is demolished, destroyed or damaged by any cause whatsoever and the loss is not adequately covered by insurance actually collected and Mortgagor fails to deposit with Mortgagee the deficiency within ten (10) days of written request.

9.6 Tax on Indebtedness or Mortgage. If any law is passed which would impose upon Mortgagee the obligation to pay the whole or any part of the Impositions or which would change in any way the laws relating to the taxation of mortgages, deeds of trust or debts so as to affect this Mortgage or the Indebtedness; provided, however, that if in the opinion of Mortgagee's counsel it shall be lawful for Mortgagor to pay such Impositions or to reimburse Mortgagee therefor, then no Event of Default shall be deemed to have occurred if a mutually satisfactory reimbursement agreement is executed by Mortgagor and delivered to Mortgagee and such Impositions or reimbursements are thereafter paid by Mortgagor.

9.7 False Representation. If any representation or warranty made by Mortgagor in, under or pursuant to the Loan Documents shall be false or misleading in any material respect on or at any time after the date when made, or if any material inaccuracy shall exist in any of the financial statements, operating information or other information furnished to Mortgagee in connection with the Loan Documents.

9.8 Failure to Notify Mortgagee of Default or False Representation. If Mortgagor shall fail to notify Mortgagee in writing as soon as it shall be practicable to do so upon learning that any

representation or warranty made by Mortgagor to Mortgagee is false or misleading in any material respect, or upon learning of the occurrence of any event which with the passage of time or the giving of notice or both would constitute an Event of Default under the Loan Documents.

9.9 Failure to Obtain Mortgagee's Consent to Transfer or Financing. If Mortgagor shall make any unpermitted transfer or financing in violation hereof.

9.10 Levy or Attachment. If any writ, attachment, levy, citation, lien or distress warrant shall be issued against the Mortgaged Property or any part thereof or interest therein.

9.11 Inability to Pay Debts; Insecurity. If Mortgagor shall generally fail or be unable to pay its debts as they come due, or shall admit in writing its inability to pay its debts as they become due, or shall make a general assignment for the benefit of creditors, or if Mortgagee shall reasonably deem itself to be insecure.

9.12 Other Indebtedness. If Mortgagor shall default in the due and punctual performance of any material covenants, conditions, warranties, representations or other obligations, including, without limitation, the repayment of indebtedness, under any documents or instruments evidencing or securing any other indebtedness owed to Mortgagee and shall fail to cure such default within the applicable cure or grace period, if any.

9.13 Default Under Leases. If Mortgagor shall default in the performance of any obligations required of it under the Leases.

9.14 Failure to Obtain or Maintain Permits and Licenses. The failure of Mortgagor to obtain or maintain any permits or licenses which are necessary and required for the ownership, use, renovation, occupancy or operation of the Mortgaged Property, or the cancellation or any attempted assignment thereof, without the prior written consent of Mortgagee.

Article 10

REMEDIES

10.1 Acceleration, Foreclosure, Etc. If an Event of Default shall occur, Mortgagee may, at its option, exercise one or more or all of the following remedies either successively or concurrently:

(a) Declare the unpaid portion of the Indebtedness to be immediately due and payable, with interest thereon accruing at the Default Rate, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the Indebtedness shall become immediately due and payable.

(b) Apply at any time to a court having jurisdiction for the appointment of a receiver of the Mortgaged Property and such appointment shall be made by the court as a matter of right to Mortgagee and without reference to the adequacy or inadequacy of the security or value of the Mortgaged Property, or to the solvency or insolvency of Mortgagor, and Mortgagor does hereby irrevocably consent to such appointment.

(c) Enter upon the Mortgaged Property, without force or with such force as is permitted by law, and without notice or process or with such notice or process as is required by

law, unless such notice or process may be waived, in which case Mortgagor hereby waives such notice and process, and take exclusive possession thereof and of all books, records and accounts relating thereto.

(d) Pursuant to the procedures provided by applicable law, institute and prosecute foreclosure proceedings with respect to the Mortgaged Property or, if Mortgagee so elects, institute foreclosure procedures only with respect to a portion of the Indebtedness or to a portion of the Mortgaged Property (such partial proceedings being hereinafter referred to as a partial foreclosure). Mortgagor agrees that a sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the remainder of the secured Indebtedness, but as to such remainder this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this paragraph. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect, at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the entire secured Indebtedness by reason of any Event of Default upon which such partial foreclosure was predicated or by reason of any other Event of Default, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any remainder of the secured Indebtedness, it being the purpose hereof to provide for a partial foreclosure sale of the secured Indebtedness without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any such partial foreclosure for any other part of the secured Indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

(e) Exercise any other remedy granted under the Loan Documents or now or hereafter existing in equity, at law, by virtue of statute or otherwise.

10.2 Right and Authority of Receiver or Mortgagee in the Event of Defaults; Power of Attorney. Upon the occurrence of an Event of Default hereunder and entry upon the Mortgaged Property or appointment of a receiver (under such terms and conditions as may be deemed prudent and reasonable, in Mortgagee's or the receiver's opinion under the circumstances), Mortgagee or said receiver may do or permit any one or more of the following, successively or concurrently, all at Mortgagor's expense: (a) enter upon and take possession and control of the Mortgaged Property; (b) take and maintain possession of all documents, books, records, papers and accounts related to the Mortgaged Property; (c) exclude Mortgagor, its agents and employees wholly from the Mortgaged Property; (d) manage and operate the Mortgaged Property; (e) preserve and maintain the Mortgaged Property; (f) make repairs and alterations to the Mortgaged Property; (g) complete any construction or repair of the improvements on the Mortgaged Property with such changes, additions or modifications to the plans and specifications or intended disposition and use of the improvements under construction on the Mortgaged Property as Mortgagee may deem appropriate or desirable to place the Mortgaged Property in such condition as will, in Mortgagee's sole judgment, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Mortgaged Property, or employ a marketing or leasing agent or agents to do so, directed to the lease or sale of the Mortgaged Property, under such other terms and conditions as Mortgagee may in its sole discretion deem appropriate or desirable; (i) employ such contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents or other employees, agents, independent contractors or professionals, as Mortgagee may in its sole discretion deem appropriate or desirable, to implement and effectuate the rights and powers herein granted; (j) execute and deliver, in the name of Mortgagor as attorney-in-fact and agent of Mortgagor, or in its own name as Mortgagee or receiver, such documents and instruments as are necessary or appropriate to

consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Mortgagee or receiver may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents from the Mortgaged Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) sue for unpaid rents, payments, income or proceeds in the name of Mortgagor or Mortgagee; (o) maintain actions in forcible entry and detainer and actions in distress for rent; (p) compromise or give acquittance for rents, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Mortgagee by this Mortgage; and (r) do any acts which Mortgagee or the receiver in its discretion deems appropriate or desirable to protect the security hereof and use such measures as it may in its discretion deem appropriate or desirable, to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee or other third party who has heretofore dealt or may hereafter deal with Mortgagor and Mortgagee at the request of Mortgagee, to pay all amounts owing under any lease or other agreement to Mortgagee without proof of the default relied upon. Any such lessee or third party is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected by Mortgagor in so doing) any request, notice or demand by Mortgagee for the payment to Mortgagee of any Rents or other sums which may be or thereafter become due under its lease or other agreement, or for the performance of any undertakings under any such lease or other agreement, and shall have no right or duty to inquire as to whether any Event of Default under this Mortgage or any of the other Loan Documents has actually occurred or is then existing. Mortgagor hereby irrevocably constitutes and appoints Mortgagee, its assignees, successors, transferees and nominees, as Mortgagor's true and lawful attorney-in-fact and agent, with full power of substitution in the Mortgaged Property, in Mortgagor's name and stead, to do or permit any or more of the foregoing described rights, remedies, powers and authorities, successively and concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable.

10.3 Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided herein and in the Loan Documents shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or against other obligors or against the Mortgaged Property, or any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

10.4 Waiver of Redemption, Notice, Marshalling. To the full extent permitted by law, Mortgagor hereby waives any and all rights of redemption under the applicable Indiana mortgage foreclosure laws, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property or any portion thereof. Mortgagor further agrees, to the full extent permitted by law, that if a default occurs hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any homestead exemption, appraisal, valuation, stay, extension, moratorium or other laws now or hereafter in force in order to prevent or hinder enforcement or foreclosure of this Mortgage, or absolute sale of the property hereby conveyed, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives and releases to the full extent that it may lawfully so do the benefit of such laws and any and all rights to have the assets comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof.

10.5 Application of Proceeds. The proceeds of any sale of all or any portion of the Mortgaged Property and the amounts generated by any receivership, holding, leasing, operation or other use of the Mortgaged Property shall be applied by Mortgagee in such order as Mortgagee may at its option elect, for

the following purposes: (a) to the payment of all of the costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same, including without limitation, payment of reasonable attorneys' fees and fees of receiver; (b) to the payment of accrued and unpaid interest due on the Note in such order as Mortgagee may elect; and (c) to the payment of the balance of the Indebtedness.

10.6 No Conditions Precedent to Exercise of Remedies. Mortgagor shall not be relieved of any Obligation by reason of: (a) the release, regardless of consideration, of the Mortgaged Property or any portion thereof, or the addition of any other property to the Mortgaged Property; (b) any agreement or stipulation extending, renewing rearranging or in any other way modifying the terms of the Loan Documents without first having obtained the consent of, given notice to or paid any consideration to Mortgagor and in such event Mortgagor shall continue to be obligated to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Mortgagee; or (c) by any other act or occurrence save and except the complete payment of the Indebtedness and the complete fulfillment of all of the Obligations.

10.7 Mortgagee's Right to Perform the Obligations. If Mortgagor fails to make any payment or perform any act required by the Loan Documents or the Legal Requirements, Mortgagee, without any obligation so to do and without waiving any other right, remedy or recourse, may make such payment or perform such act at expense of Mortgagor. All sums so paid by Mortgagee and all cost incurred in connection therewith, together with interest thereon at the Default Rate from the date of payment, shall constitute part of the Indebtedness secured by this Mortgage and the Loan Documents and shall be paid by Mortgagor to Mortgagee on demand or shall be included in any judgment of foreclosure.

10.8 Indemnity. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, and to the extent provided by law and except for Mortgagee's willful misconduct or gross negligence, Mortgagor shall and does hereby agree to protect, indemnify, defend and hold Mortgagee harmless of and from any and all liability, loss, cost, expense or damage which it may or might incur in the exercise of its rights, remedies, powers and authority hereunder, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations, undertakings or liabilities. Should Mortgagee incur any such liability, loss, cost or damage of or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, with interest accruing at the Default Rate.

10.9 Discontinuance of Proceedings. In case Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, Mortgagee shall have the unqualified right so to do and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, and powers of Mortgagee shall continue as if the same had never been invoked.

Article 11

MISCELLANEOUS

11.1 Future Advances. This Mortgage is given to secure payment of the Indebtedness and any and all amendments, restatements, replacements, consolidations, renewals, extensions, and refinancings thereof, regardless of whether the entire amount of any loan proceeds shall have been advanced to

Mortgagor at the date hereof, or at a later date, and to secure the payment and performance of all other Obligations under the Loan Documents, and any other amount or amounts that may be added to the Indebtedness under the terms of the Loan Documents or this Mortgage. All such advances are intended by the parties hereto to be a lien on the Mortgaged Property from the date of recordation of this Mortgage.

11.2 Obligatory Advances. It is specifically understood and agreed that all funds which are advanced by Mortgagee and employed in the performance of the obligations of Mortgagor under this Mortgage or the Loan Documents in the exercise of Mortgagee's judgment are necessary to protect Mortgagee's security and shall, because of economic necessity and compulsion, be deemed advanced by Mortgagee under an obligation to do so regardless of the identity of the person or persons to whom such funds are furnished and shall be added to the Indebtedness and shall be equally secured by this Mortgage and shall have the same priority as all amounts, if any, advanced as of the date of recordation of this Mortgage.

11.3 Further Assurances. Mortgagor, upon the reasonable request of Mortgagee, will execute, acknowledge and deliver such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Loan Documents.

11.4 Recording and Filing. Mortgagor will cause the appropriate Loan Documents and all supplements thereto at all times to be recorded and filed in such manner and in such places as Mortgagee shall request and will pay any recording and filing taxes, fees and other charges.

11.5 Notice. All notices, demands, requests and other communications required under the Loan Documents shall be in writing and shall be deemed to have been properly given if delivered by messenger, sent by reputable overnight delivery service, or if sent by certified mail, postage prepaid, return receipt requested, addressed to the party for whom it is intended at Mortgagor's Address or Mortgagee's Address, as the case may be. Notice will have been received upon delivery if delivered by messenger or sent by overnight delivery, or three (3) days after the date of mailing if mailed. Any party may designate a change of address by written notice to the other.

11.6 No Obligations. Mortgagee shall not have responsibility for the control, care, management or repair of the Mortgaged Property or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and the Mortgagor expressly waives and releases any such liability.

11.7 Modification. The Loan Documents and the terms of each of them may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing signed by the parties to the Loan Document being so modified, including Mortgagee, even if Mortgagee has not executed such Loan Document. If the payment of Indebtedness, or any part thereof, be extended or varied, or if any part of the security or guaranties therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding any such extension, variation or release.

11.8 No Waiver. All options and rights of election herein provided for the benefit of Mortgagee are continuing, and the failure to exercise any such option or right of election upon a particular default or

breach or upon any subsequent default or breach shall not be construed as waiving the right to exercise such option or election at any later date. No exercise of the rights and powers herein granted and no delay or omissions in the exercise of such rights and powers shall be held to exhaust the same or may be construed as a waiver thereof, and every such right and power may be exercised at any time and from time to time.

11.9 Subrogation. To the extent any portion of the Indebtedness is hereby utilized to pay off, discharge, and satisfy existing liens against the Mortgaged Property, it is hereby agreed and intended that Mortgagee shall be subrogated to any and all rights of the holders thereof in and to such liens, whether or not it is assigned to Mortgagee, and Mortgagee shall have the benefit of the priority of the same.

11.10 Mortgagee's Cost and Expenses. Mortgagor further expressly covenants and agrees to pay Mortgagee all costs and expenses of every kind paid or incurred by Mortgagee in any way in connection with the Note, this Mortgage or other Loan Documents or any modifications, restatements or amendments thereof, and the protection of the Mortgaged Property or the maintenance of the lien of this Mortgage, and the security interests under the other Loan Documents or otherwise in connection with the determination and exercise by Mortgagee of any of its rights or remedies under the Loan Documents, including without limitation any and all expenditures for documentary evidence, environmental audits, title insurance, minutes of foreclosure, or any abstract or opinion of title to the Mortgaged Property, and all similar fees, costs, charge and expenses, and including all reasonable attorneys' fees, paid or incurred by Mortgagee in any suit or legal proceeding, or in preparation or in anticipation of declaring a default or event of default, or in preparation or in anticipation of such suit or proceeding, regardless of whether such suit or proceeding is actually instituted, including without limitation, any bankruptcy or insolvency proceeding, probate proceeding, or other proceeding in which Mortgagee may in its discretion intervene in order to protect its security or appeal from any of the foregoing, or otherwise paid or incurred by Mortgagee in obtaining legal advice regarding its rights and remedies under the Loan Documents or any modifications, restatements or amendments thereof, or in determining whether to declare a default or event of default hereunder. No proceeding to foreclose this Mortgage, whether a decree of foreclosure shall have been entered therein or not, shall be dismissed, nor shall a release of this Mortgage be given until all such expenses, charges and costs of Mortgagee shall have been paid in full.

11.11 Usury. It is expressly stipulated and agreed to be the intent of Mortgagor and Mortgagee to at all times comply with applicable law now or hereafter governing the interest payable on the Indebtedness secured hereby. If the applicable law is ever revised, repealed, or judicially interpreted so as to render usurious any amount to be paid on the Indebtedness, or contracted for, charged, taken, reserved or received with respect to the Indebtedness, or if Mortgagee's acceleration of the Indebtedness or any prepayment by Mortgagor results in Mortgagor having paid any interest in excess of that permitted by law, then it is Mortgagor's and Mortgagee's express intent that all excess amounts theretofore collected by Mortgagee be credited on the principal balance of the Indebtedness, and the provisions of the Note and this Mortgage and other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

11.12 Successors and Assigns. The terms, provisions, covenants and conditions of the Loan Documents shall be binding upon Mortgagor and each of their respective heirs, representatives, successors and assigns, and shall inure to the benefit of Mortgagee and its respective successors, substitutes and assigns, and shall constitute covenants running with the land.

11.13 Conflict of Terms. The terms, provisions, covenants and conditions of the Mortgage shall be construed in such a manner as to be consistent with the terms and any other instruments executed in connection with or as security for the Indebtedness and Obligations secured hereby.

11.14 Applicable Law. The rights and obligations of the parties hereto shall be governed by and construed in accordance with the internal laws of the State of Indiana without regard to its conflict of law rules, except to the extent that Federal law must pre-empt the applicability of state usury or other laws.

11.15 Nature of Loan. Mortgagor acknowledges and agrees (i) that the proceeds of the loan secured hereby will be used for a purpose excepted from the general interest rate limitations of 815 ILCS 205/4; and (ii) that the Indebtedness and Obligations secured hereby constitute an exempt transaction under the federal Truth-In-Lending Act.

11.16 No Joint Venture; No Third Party Beneficiary. Mortgagor acknowledges and agrees that in no event shall Mortgagee be deemed to be a partner or joint venturer with it. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document securing any portion of the Indebtedness or otherwise. No other person shall be deemed to have any right or priority under this Mortgage to any extent or for any purpose whatsoever, nor shall any other person have any claim or right of action with respect to the Mortgaged Property or proceeds of the Indebtedness or be deemed a third-party beneficiary under this Mortgage or under the Loan Documents.

11.17 Severability. The Loan Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of the Loan Documents or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable neither the remainder of the instrument in which such provision is contained, nor the application of such provision to other persons or circumstances nor the other instruments referred to herein shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

11.18 Consent of Mortgagee. Any consent by Mortgagee in any single instance shall not be deemed or construed to be Mortgagee's consent in any like matter arising at a subsequent date, and the failure of Mortgagee to promptly exercise any right, power, remedy, consent or approval provided herein or at law or in equity shall not constitute or be construed as a waiver of the same, nor shall Mortgagee be estopped from exercising such right, power, remedy, consent or approval at a later date.


11.19 Financial Statements. Mortgagor agrees to furnish to Mortgagee, upon request of Mortgagee and on an annual basis within ninety (90) days of the end of each calendar year without Mortgagee's request, Mortgagor's and each guarantor's personal financial statements, including a balance sheet and income statement, a copy of the tax returns filed by each for such calendar year, and such other statements as may be reasonably required by Mortgagee, all prepared in accordance with sound accounting principles consistently applied in a form acceptable to Mortgagee.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR:

TRAM DEVELOPMENT GROUP, INC.

By: 
Richard C. Wolf, President

ATTEST:
By: 
Its: Secretary by Terry R. Ippolito

Witness

Witness



STATE OF Indiana)
) SS:
COUNTY OF Lake)

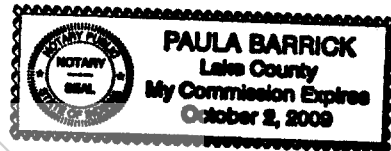
I, Paula Barrick, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Richard C. Wolf, the President of TRAM DEVELOPMENT GROUP, INC., an Indiana corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 9th day of May, 2002.

Paula Barrick
Notary Public Paula Barrick

My commission expires:

10-2-09



STATE OF Indiana)
) SS:
COUNTY OF Lake)

I, Paula Barrick, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Terry R. Ippolito, the Secretary of TRAM DEVELOPMENT GROUP, INC., an Indiana corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 9th day of May, 2002.



Paula Barrick
Notary Public Paula Barrick

My commission expires:

10-2-09

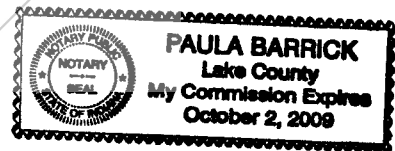


EXHIBIT A

LEGAL DESCRIPTION

Part of the East half of Section 33, Township 35 North, Range 9 West of the Second Principal Meridian, in the Town of St. John, Lake County, Indiana, described as follows: Beginning at the Northwest corner of Lot 17 of Clarmonte Ridge, Unit 2, an Addition to the Town of St. John, as shown in Plat Book 87 page 68, in the Office of the Recorder of Lake County, Indiana; thence South 00 degrees 06 minutes 44 seconds East, along the Westerly line of said Clarmonte Ridge, Unit 2, and Clarmonte Ridge, Unit 1, an Addition to the Town of St. John, as shown in Plat Book 69 page 2, in the Office of the Recorder of Lake County, Indiana, a distance of 1752.29 feet, to the centerline of the Crown Point-Joliet Road (a/k/a Joliet Street); thence North 78 degrees 15 minutes 02 seconds West, along said centerline, a distance of 423.45 feet; thence North 00 degrees 07 minutes 41 seconds West, along the East line of Maginot Acres, Second Addition to the Town of St. John, as shown in Plat Book 63 page 33, in the Office of the Recorder of Lake County, Indiana, a distance of 160.00 feet to the Northeast corner of Lot 1 in said Maginot Acres, Second Addition; thence North 78 degrees 15 minutes 02 seconds West, along the Northerly line of said Maginot Acres, Second Addition and Maginot Acres First Subdivision to the Town of St. John, as shown in Plat Book 55 page 22, in the Office of the Recorder of Lake County, Indiana, a distance of 250.00 feet to the Northwest corner of Lot 1 in said Maginot Acres First Subdivision; thence North 00 degrees 07 minutes 41 seconds West along a line parallel with the West line of the Southeast Quarter of the Northeast Quarter of said Section 33, a distance of 295.94 feet to a point which lies 150.00 feet North of the East-West centerline of said Section 33; thence North 61 degrees 03 minutes 46 seconds East, a distance of 254.76 feet; thence North 00 degrees 06 minutes 44 seconds West, parallel with the West line of said Clarmonte Ridge, Unit 1 and Unit 2, a distance of 884.08 feet; thence North 89 degrees 53 minutes 16 seconds East, a distance of 50.83 feet; thence North 00 degrees 06 minutes 44 seconds West, parallel with the West line of said Clarmonte Ridge, Unit 1 and Unit 2, a distance of 158.55 feet, to a point on the North line of the South half of the Northeast Quarter of said Section 33; thence South 88 degrees 57 minutes 15 seconds East, along said North line, a distance of 385.25 feet, to the point of beginning.

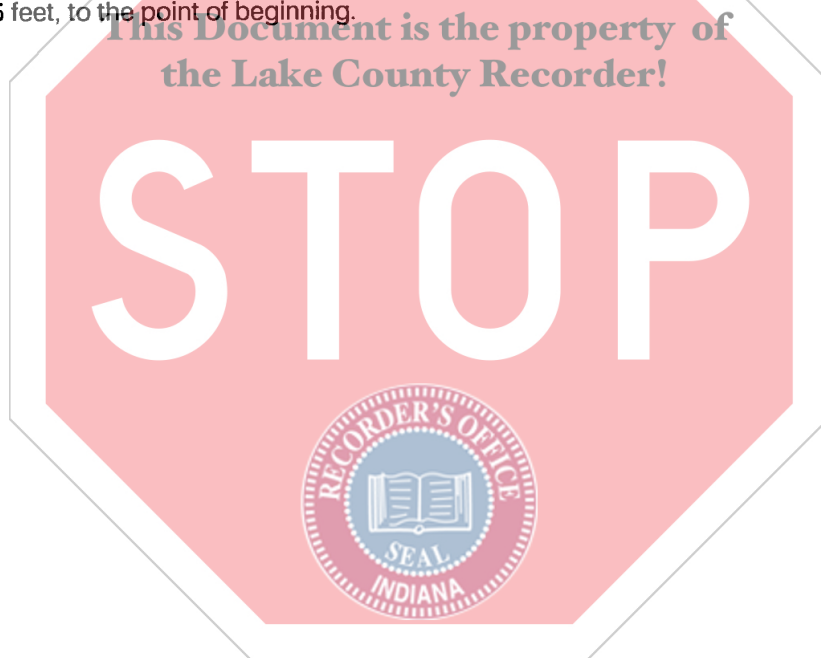


EXHIBIT B

Permitted Exceptions

1. General real estate taxes not yet due and payable.
2. Rights of the public, the State of Indiana and/or the municipality, and others entitled thereto, in and to that part of the land taken for or lying within Joliet Street (Crown Point-Joliet Road) along the South side of the land.
3. Rights of way for drainage tiles, ditches, feeders and laterals, if any.

