

This document was prepared by and after recording should be returned to:

Jay R. Goldberg
Field and Goldberg, LLC
10 South LaSalle Street
Suite 2910
Chicago, IL 60603

2004 080276

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 SEP 20 AM 9:12

MORRIS W. CARTER
RECORDER

Address of Property:

2401 Ridge Road
Highland, IN 46322

Permanent Index Nos.:

Taxing Unit #16 Key Number 27-195-1
Taxing Unit #16 Key Number 27-195-2
Taxing Unit #16 Key Number 27-388-1

2004080276

JUNIOR MORTGAGE

THIS JUNIOR MORTGAGE ("Mortgage") is given on September 15, 2004. The mortgagor is **INDY RIDGE DEVELOPMENT, LLC, an Illinois limited liability company ("Mortgagor")**. This Mortgage is given to **ALSJ, INC., an Illinois corporation**, whose address is c/o Field and Goldberg, LLC, 10 South LaSalle Street, Suite 2910, Chicago, IL 60603, **AHW INVESTMENTS, INC., an Illinois corporation**, whose address is 704 North Deerpath Drive, Suite 2100, Vernon Hills, IL 60061, and **DJ FAMILY LLC, an Illinois limited liability company**, whose address is c/o Field and Goldberg, LLC, 10 South LaSalle Street, Suite 2910, Chicago, IL 60603 (herein individually and collectively called "Mortgagee").

Mortgagor owes Mortgagee the principal sum of Three Hundred Seventy-Five Thousand Dollars (U.S. \$375,000.00). This debt is evidenced by Mortgagor's note dated the same date as this Mortgage (the "Note"), which provides for the full debt, if not paid earlier, due and payable on September 15, 2005. This Mortgage secures to Mortgagee: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 6 to protect the security of this Mortgage; and (c) the performance of Mortgagor's covenants and agreements under this Mortgage and the Note. For this purpose, Mortgagor does hereby mortgage, grant and convey to Mortgagee the following described property located in Lake County, Indiana:

Parcel One: Lot 1, IRD Subdivision, as per plat thereof, recorded in Plat Book 95, Page 66, in the Office of the Recorder of Lake County, Indiana.

Parcel Two: Lot 2 in Park Addition to Highland, as per plat thereof, recorded in Plat Book 28, Page 22, in the office of the Recorder of Lake County, Indiana, excepting that part deeded to the State of Indiana by Warranty Deed recorded July 12, 2001, as Document No. 2001 054884.

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AT DC

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Asmt.

Parcel Three: Nonexclusive, perpetual easements for access, ingress and egress, for the benefit of Parcel 1, created in the Reciprocal Easement Agreement with Covenants, Conditions, and Restrictions, dated May 21, 2004, and recorded June 10, 2004, as Document No. 2004 048992, in the Office of the Recorder of Lake County, Indiana, made by and between Indy Ridge Development, LLC, an Illinois limited liability company, and Sand Ridge Bank Trust #13-5000, over all paved driveways, roadways and walkways as described in said document, lying within the following described land:

All that part of Lot 1 in Park Addition to Highland, Lake County, Indiana, as per plat thereof, recorded in Plat Book 28 Page 22, in the Office of the Recorder of Lake County, Indiana, lying North of a line described as beginning at a point 800 feet South of the Northwest corner of said Lot 1; thence East at an angle of 90 degrees with the West line of said Lot 1 to the Southeasterly line of Lot 1, EXCEPTING the North 670 feet of Lot 1 in Park Addition, ALSO EXCEPTING a part of Lot 1 in Park Addition, more particularly described as beginning at a point 855 feet Southwesterly from the East line of Lot 1 (Measured along the Southeasterly line of Lot 1); thence Northwesterly measured at right angles with the last described line a distance of 143.63 feet to the South line of the North 670 feet of said Lot 1; thence East along the South line of the North 670 feet to the Southeasterly line of said Lot 1, a distance of 197.88 feet; thence Southwesterly along the Southeasterly line of Lot 1, a distance of 136.10 feet to the point of beginning, all in the Town of Highland, Lake County, Indiana; ALSO EXCEPTING that part taken by the State of Indiana under condemnation proceedings in Cause No. 45D11-0105-CP-00488, in Lake Superior Court.

which is commonly known as 2401 Ridge Road, Highland, Lake County, Indiana 46322 ("Property");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Property."

MORTGAGOR COVENANTS that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

UNIFORM COVENANTS. Mortgagor and Mortgagee covenant and agree as follows:

1. Payment of Principal and interest; Prepayment and Late Charges. Mortgagor shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Mortgagee under paragraph 1 shall be applied pursuant to the terms of the Note.

3. Charges; Liens. Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and all superior lien holders, leasehold payments or ground rents, if any. Mortgagor shall pay these obligations on time directly to the entity to whom payment is owed.

Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Mortgagee; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Mortgagee's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Mortgage. If Mortgagee determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Mortgagee may give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

4. Hazard or Property Insurance. Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Mortgagee requires insurance. This insurance shall be maintained in the amounts and for the periods that Mortgagee requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Mortgagee's approval which shall not be unreasonably withheld. If Mortgagor fails to maintain coverage described above, Mortgagee may, at Mortgagee's option, obtain coverage to protect Mortgagee's rights in the Property in accordance with paragraph 6.

All insurance policies and renewals shall be acceptable to Mortgagee and shall include a standard mortgage clause. Mortgagee shall have the right to hold the policies and renewals. If Mortgagee requires, Mortgagor shall promptly give to Mortgagee all receipts of paid premiums and renewal notices. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Mortgagee. Mortgagee may make proof of loss if not made promptly by Mortgagor.

Unless Mortgagee and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Mortgagee's security is not lessened. If the restoration or repair is not economically feasible or Mortgagee's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days a notice from Mortgagee that the insurance carrier has offered to settle a claim, then Mortgagee may collect the insurance proceeds. Mortgagee may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless Mortgagee and Mortgagor otherwise agree in writing, any application of

proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 16 the Property is acquired by Mortgagee, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Mortgagee to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

5. Preservation, Maintenance and Protection of the Property; Mortgagor's Loan Application; Leaseholds. Mortgagor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Mortgagor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Mortgagee's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Mortgage or Mortgagee's security interest. Mortgagor shall also be in default if Mortgagor, during the loan application process, gave materially false or inaccurate information or statements to Mortgagee (or failed to provide Mortgagee with any material information) in connection with the loan evidenced by the Note. If this Mortgage is on a leasehold, Mortgagor shall comply with all the provisions of the lease. If Mortgagor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Mortgagee agrees to the merger in writing.

6. Protection of Mortgagee's Rights in the Property. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Mortgagee's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Mortgagee after the passage of five (5) calendar days after written notice (unless an emergency exists in Mortgagee's reasonable judgment in which no notice and no passage of time is required) may do and pay for whatever is necessary to protect the value of the Property and Mortgagee's rights in the Property. Mortgagee's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Mortgagee may take action under this paragraph 6, Mortgagor does not have to do so.

Any amounts disbursed by Mortgagee under this paragraph 6 shall become additional debt of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Mortgagee to Mortgagor requesting payment.

7. Inspection. Mortgagee or its agent may make reasonable entries upon and inspections of the Property. Mortgagee shall give Mortgagor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to

Mortgagor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Mortgage immediately before the taking, unless Mortgagor and Mortgagee otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Mortgagor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Mortgagor and Mortgagee otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Mortgage whether or not the sums are then due.

If the Property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Mortgagee within 30 days after the date the notice is given, Mortgagee is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

Unless Mortgagee and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

9. Mortgagor Not Released; Forbearance By Mortgagee Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release the liability of the original Mortgagor or Mortgagor's successors in interest. Mortgagee shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor or Mortgagor's successors in interest. Any forbearance by Mortgagee in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Mortgagee and Mortgagor, subject to the provisions of paragraph 14. Mortgagor's covenants and agreements shall be joint and several. Any Mortgagor who co-signs this Mortgage but does not execute the Note: (a) is co-signing this Mortgage only to mortgage, grant and convey that Mortgagor's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Mortgagee and any other Mortgagor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without that Mortgagor's consent.

11. Notices. Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to Mortgagor at 10762 West 167th Street, Orland Park, IL 60467 or any other address Mortgagor designates by notice to Mortgagee. Any notice to Mortgagee shall be given by first class mail to Mortgagee's

address stated herein or any other address Mortgagee designates by notice to Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given as provided in this paragraph.

12. Governing Law; Severability. This Mortgage shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision. To this end the provisions of this Mortgage and the Note are declared to be severable.

13. Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the property or any interest in it is sold or transferred (or if a beneficial interest in Mortgagor is sold or transferred and Mortgagor is not a natural person) without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage

If Mortgagee exercises this option, Mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

14. Intentionally Omitted.

15. Hazardous Substances. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal uses and to maintenance of the Property.

Mortgagor shall promptly give Mortgagee written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagor has actual knowledge. If Mortgagor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 15, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 15, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Mortgagor and Mortgagee further covenant and

agree as follows:

16. Acceleration; Remedies. If a default is not cured on or before the date specified in the notice provided in the Note, Mortgagee at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. Mortgagee shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 16, including, but not limited to, reasonable attorneys' fees, costs and expenses, including the cost of title insurance.

17. Cross-Collateralization; Cross Default; Release. The Note is cross-collateralized with that certain Note made by R & O Development, LLC and 10762, LLC to Lender in the stated principal sum of Four Hundred Twenty-Five Thousand Dollars (\$425,000.00) dated June 30, 2004 and that certain Note made by Green Bay Development LLC to Lender in the stated principal sum of Three Hundred Fifty Thousand Dollars (\$350,000.00) dated September 15, 2004 (individually the "Other Note" and collectively referred to herein as the "Other Notes"). A default under the Other Note or Other Notes or under any document which secures the Other Note or Other Notes shall, without notice or period of grace, constitute an immediate default under the Note, entitling Mortgagee under the Loan Documents (as defined in the Note) to exercise all rights and remedies as may be available to Mortgagee in the case of a default or Event of Default under the Loan Documents. In the event that Mortgagee receives full payment of all amounts due under the Note in accordance with the Payment Schedule and without consideration of any amounts which may be due pursuant to the terms of the Other Notes, Mortgagee shall release its interest in the security given to secure the Note. Mortgagor shall pay any recordation costs.

18. Waivers. To the extent permitted under applicable law:

- A. Mortgagor acknowledges that the Mortgage Premises does not constitute agricultural real estate or residential real estate. Mortgagor hereby waives any and all right of redemption.
- B. Mortgagor hereby waives any right to reinstate the Loan.
- C. Mortgagor hereby waives the benefit of all appraisal, valuation, stay, or extension laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Mortgaged Premises or any part thereof or any interest therein.
- D. Mortgagor hereby waives the benefit of any rights or benefits provided by the Homestead Exemption laws, if any, now or hereafter in force.

19. Junior Mortgage. (a) Notwithstanding anything herein to the contrary, the parties acknowledge that this Mortgage is a Junior lien on the Property subject to the prior liens and other security interests in favor of Bank Calumet National Association ("Senior Mortgagee"), having an address of 5231 Hohman Avenue, Hammond, Indiana 46320, arising pursuant to certain documents which evidence and secure a mortgage loan in the amount of Four Million Three Hundred Seventy-Five Thousand Dollars (\$4,375,000.00) from the Senior Mortgagee (collectively, the "Senior Loan

Documents”) and the prior liens and other security interests in favor of George Washington Savings Bank (“Second Senior Mortgage”), having an address of 10240 South Cicero Avenue, Oak Lawn, Illinois 60453, arising pursuant to certain documents which evidence and secure a mortgage loan in the amount of Four Hundred Ninety-Seven Thousand Dollars (\$497,000.00) from the Second Senior Mortgage (collectively, the “Second Senior Loan Documents”). For purposes of this section this Mortgage and the Note secured hereby are hereinafter collectively referred to as the “Subordinated Loan Documents”.

(b) It is a covenant hereof that Mortgagor shall faithfully and fully observe and perform each and every term, covenant and condition of any and all Senior Loan Documents and Second Senior Loan Documents, and shall not permit any of such Senior Loan Documents or Second Senior Loan Documents to go into default. Mortgagor shall immediately notify Mortgagee of any default or delinquency under any of the Senior Loan Documents or Second Senior Loan Documents and shall provide Mortgagee with a copy of any notice of default or delinquency received by Mortgagor pursuant to any of the Senior Loan Documents or Second Senior Loan Documents. A default or delinquency under any one of the Senior Loan Documents or Second Senior Loan Documents shall automatically and immediately constitute a Default under this Mortgage, and in consequence thereof, Mortgagee may avail itself of any remedies it may have for Default hereunder including, without limitation, acceleration of the Note.


(c) Mortgagee is hereby expressly authorized to advance at its option all sums necessary to keep any Senior Loan Documents or Second Senior Loan Documents in good standing, and all sums so advanced, together with interest thereon at the Default Rate (as defined in the Note), shall be repayable on demand to Mortgagee and shall be secured by the lien of this Mortgage, as in the case of other advances made by Mortgagee hereunder.

20. **Total Indebtedness Secured.** The total amount of the indebtedness that may be secured by this Mortgage may increase or decrease from time to time, but the total indebtedness secured at any one time shall not exceed Five Million Dollars (\$5,000,000.00).

21. Notwithstanding anything to the contrary contained herein, this Mortgage shall be subordinate to the interest of any mortgagee that has an interest superior to Mortgagee and Mortgagor shall not be deemed to be in default if Mortgagor is in compliance with the loan documents of any mortgagee that has an interest superior to Lender.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage.

INDY RIDGE DEVELOPMENT, LLC, an Illinois limited liability company

By: 
Michael R. Glenn, Jr., Manager

Taxpayer Identification No.: 36-4549448

Mortgagor's address for notices:

10762 West 167th Street
Orland Park, IL 60467



STATE OF Illinois)
) SS
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Michael R. Glenn, Jr., the Manager of **INDY RIDGE DEVELOPMENT, LLC, an Illinois limited liability company**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his/its free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 15th day of September, 2004.

Sharon Therese Purcell
Notary Public

My Commission Expires:

6-18-2007

