

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2005 000693

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MICHAEL A. LUDWIG
RECORDER

RETURN TO: GLENN R. PATTERSON, ESQ.
LUCAS, HOLCOMB & MEDREA, LLP
300 EAST 90TH DRIVE
MERRILLVILLE, IN 46410

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS INDENTURE WITNESSETH THAT *WOODLAND PINE DEVELOPERS, LLC*, an Indiana limited liability company ("Mortgagor"), **MORTGAGES AND WARRANTS** to *BOB R. MITCHELL and BETTY R. MITCHELL* ("Mortgagee"), the following described real estate situate in the County of Lake, State of Indiana, to-wit:

Part of the Southeast Quarter of the Southeast Quarter of Section 14, Township 35 North, Range 9 West of the Second Principal Meridian and part of the Northeast Quarter of the Northeast Quarter of Section 23, Township 35 North, Range 9 West of the Second Principal Meridian, in the Town of Schererville, Lake County, Indiana, more particularly described as follows: Commencing at the Northeast corner of the Southeast Quarter of the Southeast Quarter of said Section 14; thence North 89 degrees 22 minutes 59 seconds West, along the North line of the South half of the Southeast Quarter of the Southeast Quarter of said Section 14, said line also being the centerline of 75th Avenue (previously known as Doffin Road), a distance of 412.80 feet; thence South 00 degrees 04 minutes 53 seconds East, a distance of 1158.85 feet to the point of beginning; thence continuing South 00 degrees 04 minutes 53 seconds East, along the last described line, a distance of 422.14 feet to a point in the centerline of U.S. Highway 30 (New Lincoln Highway); thence South 71 degrees 26 minutes 39 seconds East, along the centerline of said U.S. Highway 30, a distance of 281.20 feet; thence North 00 degrees 04 minutes 13 seconds West, a distance of 422.11 feet, said line also being the West line extended Southerly of Green's 1st Addition to the Town of Schererville as recorded in Plat Book 74, page 06 in the Office of the Recorder of Lake County, Indiana; thence North 71 degrees 26 minutes 39 seconds West, a distance of 281.29 feet to the point of beginning, containing 2.582 acres, more or less.

together with all buildings, improvements, appurtenances, privileges, rights and fixtures therein, thereon or thereto belonging (hereinafter called the "Real Estate") and the rents and profits of the Real Estate, which said rents and profits are now and hereby assigned to Mortgagee as of the date of any default in the performance of Mortgagor's herein obligations, and further, Mortgagor does hereby grant to Mortgagee a security interest in all personal property acquired or to be acquired by Mortgagor for use on or in connection with the Real Estate, and the replacements and proceeds thereof, including, but not limited to, all home appliances, lighting and plumbing fixtures and furniture, equipment and machinery.

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IN CONSIDERATION FOR AND TO SECURE THE PAYMENT OF THE PRINCIPAL SUM of Thirty-seven Thousand Five Hundred Fifty-one Dollars and Twenty-six Cents (\$37,551.26), evidenced by that certain Promissory Note of even date herewith in said principal amount (the "Mortgage Note"), payable with interest and in such manner as set forth therein, and all future advances and additional amounts, all of said principal and interest payments being payable in legal tender of the United States of America, at such place in the United States of America as the legal holder thereof may from time to time direct, and all principal and interest payments being with attorneys' fees and without relief from valuation and appraisal laws of Indiana, and bearing interest after maturity until paid at the highest rate for which it is now lawful to contract in Indiana;

AND LIKEWISE IN CONSIDERATION FOR AND TO SECURE THE PERFORMANCE by Mortgagor of all of Mortgagor's covenants, agreements, promises, payments and conditions hereinbefore or hereinafter set out, Mortgagor covenants with Mortgagee and warrants and represents as follows:

1. **TITLE TO AND CONDITION AND USE OF THE REAL ESTATE.** That Mortgagor owns the Real Estate in fee simple; that this instrument is a valid and subsisting first mortgage and lien thereon; to deliver to Mortgagee at their request a satisfactory title insurance policy and/or an abstract of title thereto, to be held by Mortgagee until this Mortgage is fully satisfied; that upon default by Mortgagor in any of its obligations hereunder, to procure at its own expense a continuation of said title insurance policy to the date of default, made by a title insurance company designated by Mortgagee, and deliver same to Mortgagee; upon any foreclosure hereof, Mortgagor to procure and furnish a like continuation of title insurance policy to and including the expiration of the time for redemption, if any, of the Real Estate from the sale had under such foreclosure; to execute and deliver all further instruments necessary or deemed so by Mortgagee to effectuate the second mortgage security hereby intended to be given; to pay all indebtedness hereby secured as the same becomes due; to perform all covenants, agreements and obligations contained herein; to keep the Real Estate in good repair and not to suffer or permit waste thereon; to pay all taxes, impositions and assessments levied against the Real Estate and premises and to make all such payments when due, and to file receipts therefor with Mortgagee within ten (10) calendar days thereafter; to suffer or permit no liens of mechanics or materialmen to attach to the Real Estate; to remove or demolish no improvements or fixtures that are now or hereafter on the Real Estate; to pay, when the same become due, all encumbrances and liens upon the Real Estate; to permit nothing unlawful to be done upon the Real Estate or any thing that might impair the value of the security intended to be effected by this instrument; to comply with all laws, ordinances and rulings of any governmental agency in which the Real Estate is located relating to the Real Estate; to keep the premises herein described constantly insured for their full insurable value against loss or damage by fire, lightning, tornado, windstorm, cyclone and plate glass, damage and otherwise in such manner as deemed necessary by Mortgagee; to likewise procure any and all other kinds of insurance, all such forms of insurance to be in such insurance companies as Mortgagee may approve, with a mortgage clause in said insurance policies in favor of Mortgagee for the full amount of all indebtedness now due

or hereinafter due hereunder, and immediately to deliver such policies to Mortgagee, to be held by it until the obligations hereby secured are fully performed and not less than thirty (30) days before the expiration of any of such policies, renewals thereof shall be procured and forwarded to Mortgagee, and in the event of any sums becoming due under any of said policies the same may be collected by Mortgagee and at its option applied either upon principal or interest due or to become due on this Mortgage and the obligations secured hereby or may be released to the Mortgagor upon his having repaired and replaced all damages covered by such insurance and in the event any sums are so released to the Mortgagor no part thereof shall be treated as a payment upon any obligation secured by this Mortgage; that all obligations of the Mortgagor hereunder shall continue in full force and effect until all of the herein described obligations are fully performed and paid; that the Mortgagee may at any time, by written agreement therefor with Mortgagor and without notice to any person, extend the time for the performance of Mortgagor's obligations hereunder, or any part thereof, without thereby impairing, affecting, postponing or subordinating the lien of this Mortgage or releasing any person from liability hereunder; that upon suit being brought to foreclose any lien upon the hereinbefore described premises, this Mortgage may be foreclosed for the entire principal sum, interest, expenses, obligations and attorneys' fees hereby secured.

2. FUTURE ADVANCES AND ADDITIONAL AMOUNTS. It is agreed and intended by the parties that the Mortgagee may make future advances to one or more of the Mortgagors, in an amount or amounts exceeding that of the obligation initially secured by this Mortgage or which may otherwise become due as a result of such initial obligation. If such future advances or additional amounts are made, this Mortgage shall secure the payment of any and all such future advances and of any such additional amounts, whether or not said future advances or additional amounts are in any way related to, are of the same class as, or are made for a similar or related purpose as, the obligation initially secured hereby; and further, whether or not there is any additional or other security given for such future advances or for such additional amounts; and further, whether or not all, or only one or some, of the undersigned Mortgagors are personally or principally obligated for the payment of such future advances or additional amounts, whether jointly or severally, and whether or not a third person or entity not a party hereto is also personally or principally obligated thereon, whether jointly or severally; and further, regardless of whether or not the Real Estate is owned by the Mortgagors as husband and wife as tenants by the entireties and such future advances or additional amounts are the personal or principal obligation of only one of them; and further, whether or not the initial obligation secured hereby has been paid in whole or in part; and further, whether or not the Mortgagee shall have assigned or otherwise transferred its interest in the Real Estate to an assignee or a successor in interest, and whether or not such future advances or additional amounts are made to Mortgagors by the Mortgagee or its assigns or its successors in interest; and further, whether or not there are any, or were any oral representations or other provisions of this Mortgage or any other document executed and/or delivered in conjunction with or related to the initial obligation secured hereby which are or may be construed to be in conflict with or in derogation of this paragraph in any manner whatsoever. Provided further, that such future advances or additional amounts are equally secured and to the

same extent as the initial obligation secured hereby. The Mortgagee, its assigns and successors, at its option may accept a renewal note, or notes at any time for any portion of the initial obligation secured hereby, or for any portion of any such future advances or additional amounts secured hereby, and may extend the time for payment of any or all of said obligations without affecting the security of this Mortgage in any manner whatsoever.

3. FORECLOSURE RIGHTS AND DEFAULT. That in the event of foreclosure of this Mortgage a reasonable sum shall be allowed for the attorneys' fees of Mortgagee, and also reasonable charges for all outlays incident to such foreclosure shall be allowed, and all such attorneys' fees and incidental charges shall be and become so much additional indebtedness hereby secured; that in the event of failure of the Mortgagor to keep, perform and pay each and every one of its covenants, agreements, payments and obligations hereinabove specified, the Mortgagee may, but is not required to do so, perform and keep said obligations, and any such money advanced by Mortgagee therefor, together with interest thereon from the date of any such payment until paid at the highest rate for which it is now lawful to contract in Indiana, shall forthwith be due and payable by Mortgagor to Mortgagee, without demand therefor, without relief from valuation and appraisal laws, and with attorneys' fees, and any amount so advanced, together with such interest, shall be and become so much additional indebtedness secured hereby, and in the making of such payment or advance for Mortgagor, it shall not be obligatory upon Mortgagee to inquire into the validity or propriety of any obligation so paid by Mortgagee; that upon any default in payment or performance of the covenants, agreements, payments and obligations of Mortgagor as hereinbefore set out, then the whole amount of the principal sum hereby secured, together with all interest to date and all sums that may have been advanced, as herein provided, by Mortgagee for Mortgagor, shall, at the option of the Mortgagee and without notice, become immediately due and payable, and upon any such default the Mortgagee shall have the right immediately to foreclose this Mortgage. The omission of Mortgagee to exercise said option upon any default as aforesaid, shall not preclude it from exercise thereof upon any subsequent default. That the making of any payment by Mortgagee hereunder for any of the purposes permitted, shall in no event be construed as a waiver of the right to avail of any breach of covenant committed, but foreclosure of this Mortgage may, at the option of the Mortgagee, be had for said default as if no such payment or advancement had been made; that Mortgagor will at all times indemnify and forthwith, on demand, reimburse Mortgagee from and for any loss, damage, expense or costs, including attorneys' fees, arising out of or incurred in connection with any suit or proceeding to which Mortgagee may be made a party by reason of this instrument, and in default of such reimbursement, the amount of such loss, damage, expense or costs, together with interest thereon at the highest rate for which it is now lawful to contract in Indiana, shall immediately become so much additional indebtedness secured by this Mortgage and payable immediately; that all rights and remedies hereby secured to Mortgagee are cumulative and not in any way in derogation of the rights of Mortgagee under the laws of Indiana; that the covenants, agreements and promises of the Mortgagor herein shall run with the land as a condition upon which the loan hereby secured was made, are of the essence of this instrument and any breach thereof shall be deemed a material breach going to the substance hereof, and Mortgagor expressly waives its right

to relief at law or equity from any forfeiture herein provided; the Mortgagor agrees that in the event of the passage, after the date of this Mortgage, of any law of the State of Indiana, deducting from the value of land for the purpose of taxation, any lien or encumbrance thereon or changing in any way the laws now in force for the taxation of Mortgagee, deeds of trust or debts secured thereby, for state or local purposes, or the manner of the collection of any such taxes, so as to affect the interest of Mortgagee or the holder of the herein described Mortgage Note, the whole of the principal sum secured by this Mortgage, together with the interest due thereon shall, at the option of the Mortgagee, without notice to any party, become immediately due and payable.

4. APPOINTMENT OF RECEIVER. In any foreclosure proceedings the court shall, at once and without notice to the Mortgagor, and without requiring a bond of plaintiff, and without reference to the then value of the Real Estate, or its use as a homestead, or to the solvency or insolvency of any person or persons liable for any of the herein obligations, appoint a receiver for the benefit of Mortgagee, and said receiver to have all powers usually incident to receivers appointed during the pendency of mortgage foreclosures and during the period for redemption, if any, from judicial sale, it being expressly understood and agreed that the above provision for the appointment of a receiver is an express and material condition upon which the loan hereby secured was made.

5. TAXES AND INSURANCE ESCROW. Mortgagor further covenants to deposit with the Mortgagee upon the request of Mortgagee (at any time after the Mortgage Note or this Mortgage shall have first been in default, and whether or not such default shall have been thereafter cured), together with and in addition to, the monthly payments under the terms of the Mortgage Note secured hereby until all sums secured by this Mortgage are fully paid, one-twelfth (1/12) of the amount (as estimated by the Mortgagee) which will be sufficient to pay taxes, special assessments and other charges on the Real Estate and insurance premiums that will become due and payable during the ensuing year. Mortgagee shall hold such monthly deposits in trust, without any allowance of interest, and shall use such fund for the payment of taxes, assessments, and other charges on the Real Estate and insurance premiums when the same are due and payable. If at any time the fund so held by Mortgagee is insufficient to pay any such tax, assessment, charge or insurance premium when the same shall become due and payable Mortgagee shall advise Mortgagor of the deficiency and so often as that shall occur Mortgagor, shall, within ten (10) days after receipt of such notice, deposit with Mortgagee such additional funds as may be necessary to pay the tax, assessment, charge or insurance premium. Failure to make any deposit when due shall be a breach of this Mortgage. If at any time there be a default in any of the provisions of this Mortgage, Mortgagee may at its option apply any money in the tax, assessment, charge or insurance premium fund on any of the Mortgage obligations and in such order and manner as it may elect.

6. CONDEMNATION. To further secure said indebtedness Mortgagor hereby assigns to Mortgagee any award of damages made in connection with any condemnation for public use of or injury to the Real Estate or any part thereof and any award of damages

arising from any cause of action for injury or damages to the Real Estate or any part thereof. Mortgagee is authorized and empowered (but not required) to collect and receive any such award and is authorized to apply it in whole or in part in reduction of the then outstanding debt secured by this Mortgage, notwithstanding the fact that the same may not then be due and payable. Any amounts so applied to principal shall be applied to the principal last maturing hereon. Mortgagor agrees to execute such further assignments of any such awards as Mortgagee may require.

7. ASSIGNMENT FOR THE BENEFIT OF CREDITORS AND BANKRUPTCY.

If the Mortgagor shall make an assignment for the benefit of creditors, or if a receiver be appointed for the Mortgagor or any part of the Real Estate, or if Mortgagor files a petition in bankruptcy, or is adjudicated a bankrupt or files any petition or institutes any proceedings under the Federal bankruptcy laws of the United States, then, on the happening of any one or more of these events, the whole indebtedness secured hereby shall immediately become due and payable, at the option of the Mortgagee, and this Mortgage may thereupon be foreclosed for the whole of said principal, interests and costs.

8. INSPECTION. Mortgagee may make or cause to be made reasonable entries upon and inspections of the Real Estate, provided that Mortgagee shall give Mortgagor reasonable notice prior to any such inspection.

9. SALE OR TRANSFER OF REAL ESTATE; ASSUMPTION. If all or any part of the Real Estate or any interest therein, of any nature, kind, character, description, duration or extent, is sold, granted or transferred by Mortgagor, including a Contract For Conditional Sale, or Installment Sales Contract, or to a land trust controlled by Mortgagor, without Mortgagee's prior written consent, excluding only the grant of a leasehold interest of three (3) years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate if, and only if, prior to such sale, grant or transfer, Mortgagor, Mortgagee and the person to whom the Real Estate or interest therein is to be sold, granted or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagor and that the interest payable on the sums secured by this Mortgage shall be at such rate as Mortgagor shall request, and that the terms of payment of the principal and interest due shall be on terms and contain the covenants, agreements and provisions as Mortgagee shall request.

If Mortgagee exercises such option to accelerate, it shall mail Mortgagor notice of acceleration in accordance with Paragraph 13 hereof. Such notice shall provide a period of not less than thirty (30) calendar days from the date the notice is mailed within which Mortgagor shall pay the sums declared due. If Mortgagor fails to pay such sums prior to the expiration of such period, Mortgagee may, without further notice or demand on Mortgagor, invoke any remedies permitted hereby.

10. ASSIGNMENT OF RENTS. In furtherance of the assignment of rents and profits made above, the Mortgagor does hereby sell, assign, transfer and set over unto Mortgagee, its successors and assigns, all of Mortgagor's right, title and interest in and unto all present and future leases and tenancies affecting the Real Estate, and all of the rents, issues and profits due or to become due thereunder of and from the Real Estate; the right to operate, maintain, manage and when necessary or appropriate to lease the Real Estate or any part thereof; and the right to take possession of the Real Estate in its own name or in the name of an agent and to collect all rents, issues and profits therefrom, and of and from the improvements thereon, and apply said sums of money so collected as hereinafter provided. The tenants in, upon and about the Real Estate and all others having an interest in and to the Real Estate are hereby authorized to pay unto Mortgagee, or to its order, all sums due or to become due under such tenancy, and Mortgagee is hereby authorized to give for and in behalf of the Mortgagor full receipt for any payments so made. Mortgagee is further authorized, but shall not be obligated, to pay taxes, assessments and charges on the Real Estate, insure, repair and/or improve the buildings located thereon, or to otherwise perform all of Mortgagor's obligations under said leases or tenancies; and expend such sums as may be necessary to defend such title and interest in the Real Estate or the use thereof, or recover rents and profits, or protect rental rights, and/or make such other expenditures for the Real Estate as it may in its sole discretion deem necessary, proper or expedient. Mortgagee may, but shall not be obligated, to advance funds for any of the above purposes, and any amount so advanced shall be a first and prior claim on the rents and profits realized by Mortgagor from the Real Estate and shall be repaid to Mortgagee before any distribution as hereinafter set out. Should the rents and profits be insufficient to pay advances so made by Mortgagee, any unpaid balance shall become part of the debt secured by this Mortgage, and shall bear interest at the rate equal to the rate on the Mortgage Note from the date of the advancements, and in the event such advancements are made after the debt evidenced by the Mortgage Note has been reduced to judgment, Mortgagor will, subject to the other terms, covenants and conditions herein contained, pay such advancements with interest to Mortgagee in addition to any amount necessary to pay and satisfy the judgment, interest and costs, or to redeem the Real Estate from foreclosure sale, and Mortgagee shall be entitled to retain possession of the Real Estate until such advancements and interest are fully paid. It is further agreed that Mortgagee shall be required to account for only such rentals and payments as are actually collected by it. Nothing herein contained shall be deemed to create any liability on the part of Mortgagee for failure to lease the Real Estate or any part thereof, or for failure to make collection of rentals, or for failure to do any of the things which are authorized herein. This instrument is a grant of rights and privileges to Mortgagee only and shall not be held to create any duties or liabilities, except as herein expressly set out. For the purposes of accounting, the correctness of the books and records of Mortgagee shall be deemed conclusive. It is further understood and agreed that Mortgagee shall, in the exercise of its control and management of the Real Estate, be deemed the agent of Mortgagor, and shall not be liable for any damage to any person or property where such damage arises out of the operation of or in connection with the Real Estate.

It is further understood and agreed that the acceptance by Mortgagee of any payments under any lease or contract with reference to the Real Estate from any tenants or other persons shall not bar or abridge any of the rights of Mortgagee under the Mortgage Note or this Mortgage. The provisions of this paragraph of this Mortgage are a covenant running with Mortgagor's interest in the land herein described as the Real Estate, and shall bind all persons hereinafter acquiring any interest in the Real Estate, and it is expressly agreed that the within assignment and grant of rights and powers is coupled with an interest and is irrevocable. Any amount received or collected by Mortgagee under this paragraph shall be applied as follows, but not necessarily in the order stated, the priority of payment of such items to be within the sole discretion of Mortgagee:

- a. The repayment to Mortgagee of any and all amounts advanced by it under the terms of the Mortgage Note or this Mortgage together with interest as provided on the respective advancements from the date of same;
- b. To the payment of taxes, assessments and charges and the expense of insurance; but Mortgagee shall not be obligated to keep insurance on the Real Estate or to make repairs to and/or improvements on the Real Estate;
- c. To the payment of all other necessary expenses to the management, protection and/or preservation of the Real Estate;
- d. To the payment of all amounts due or to become due under the Mortgage Note or this Mortgage and/or to the payment of any judgment rendered thereon together with costs and expenses;
- e. The surplus, if any, after full payment of the above, shall be paid to the then owner of the Real Estate at the time such payment is made.

It is understood and agreed that this paragraph of this Mortgage is but additional security for the payment of the debt evidenced by the Mortgage Note, and shall not be deemed to be in payment thereof except as to money actually received by Mortgagee and applied as such payment under the terms hereof; nor shall this paragraph of this Mortgage be deemed a waiver of any default occurring hereinafter in the full performance of the conditions of the Mortgage Note, nor shall the application of any or all money received by Mortgagee under this paragraph of this Mortgage toward curing such default in any manner waive such default or prevent foreclosure because of the same, Mortgagee hereby expressly reserving all of its rights and privileges under the Mortgage Note as fully as though this paragraph of this Mortgage had not been included herein. Mortgagee shall not be liable for any act or failure to act under the terms of this paragraph of this Mortgage except for willful misconduct or gross negligence, nor shall the Mortgagee be liable for the act or omission of any agent, if Mortgagee shall have used reasonable care in the selection of such agent.

Notwithstanding that this instrument is a present and executed assignment of the rents, issues and profits and a present and executed grant of the powers hereinbefore granted to Mortgagee it is agreed that so long as the Mortgagor is not in default under the Mortgage Note, the Mortgagor is to be permitted to collect and retain said rents, issues and profits; provided, however, that in no event shall the Mortgagor have authority to collect any rents, issues or profits for any period in excess of thirty (30) days from the date of any such collection; and provided further, that if the Real Estate shall come into the hands of any officer of any court on any writ of any nature whatsoever against Mortgagor's interest in the Real Estate, as the property of the Mortgagor, then upon the happening of any one or more such events, without any notice of election on the part of Mortgagee being given, Mortgagee shall have the immediate and automatic right to the management and control of the Real Estate and the improvements thereon to the full extent of all rights given to it under this paragraph of this Mortgage even though there be no existing default on the part of the Mortgagor under the Mortgage Note.

11. RELEASE OF MORTGAGE. That whenever the Mortgagor shall have fully paid the indebtedness hereby secured, with all the interest thereon, and up to that time, shall have well and truly performed all and singular the covenants and agreements herein undertaken to be performed, then all of such covenants and agreements shall cease and determine (but not otherwise), and the Mortgagor shall be entitled to a satisfaction and release of this Mortgage, but shall pay the expense of recording the same.

12. MISCELLANEOUS. That the words Mortgagor and Mortgagee when used herein shall be taken to include singular and plural number, and masculine, feminine or neuter gender, as may fit the case, and shall also include the successors and assigns of the parties hereto; that the forms of I, He, She and It, in any case or number and their compound forms with Self or Selves, shall, when used herein or in the obligations secured hereby, if the context requires, be construed to be synonymous with each other, and that the forms of the verb "To be" in any tense or number shall, when the context requires, be construed as synonymous with each other.

13. CONSTRUCTION AND APPLICABLE LAW. That this Mortgage and the Mortgage Note secured hereby are made and executed under, and are, in all respects, to be construed by the laws of the State of Indiana, and that the various rights, powers, options, elections, appointments and remedies herein and therein contained shall be construed as cumulative, and no one of them as exclusive of any other or of any right or remedy allowed by law, and all shall inure to the benefit of the successors and assigns of the Mortgagee and of all holders of said Mortgage Note.

14. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Mortgagor at the Real Estate address or at such other address as Mortgagor may designate by notice to Mortgagee as provided herein; and (b) any notice to Mortgagee shall be given by certified mail, return receipt

requested, to Mortgagee's address stated herein or to such other address as Mortgagee may designate by notice to Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.

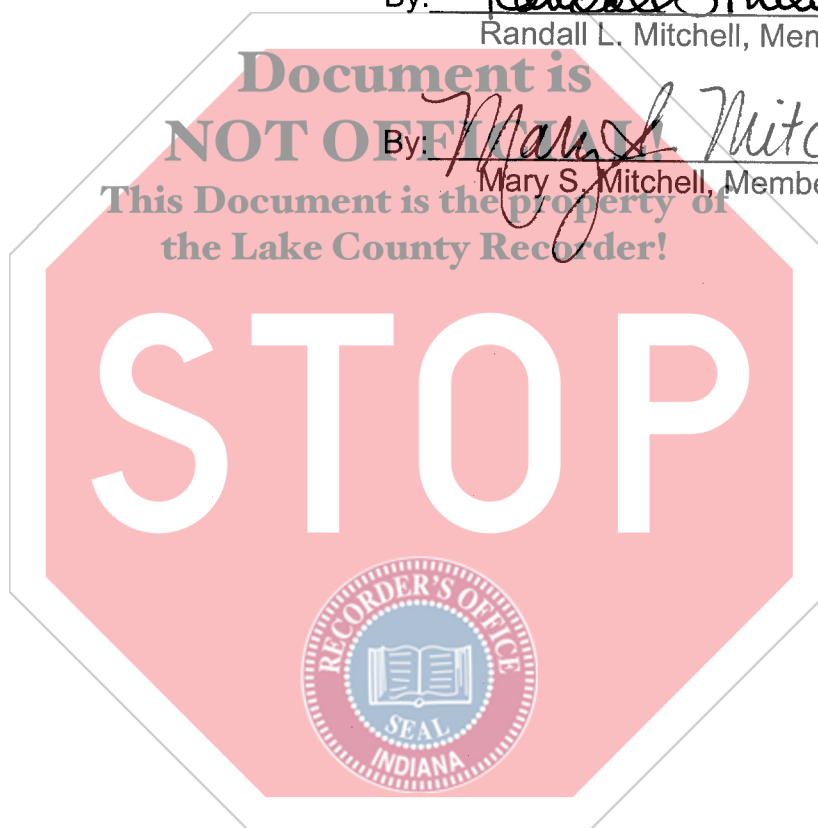
15. INCONSISTENT OBLIGATIONS. Mortgagee covenants that, except with respect to defaults in payment obligations other than escrow deposit requirements, it shall not exercise any right or remedy hereunder in the event that, but only to the extent that, a breach or default of an obligation otherwise required by Mortgagor is due solely to the actual or practical inability of Mortgagor to perform such obligation as a result of Mortgagor's required performance of a contractual duty or obligation to the holder of a first mortgage lien upon the Real Estate which is inconsistent with such obligations hereunder.

IN WITNESS WHEREOF, the Mortgagor has hereunto set their hands and seals on this 31st day of December, 2004.

WOODLAND PINE DEVELOPERS, LLC

By: 
Randall L. Mitchell, Member

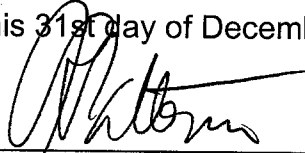
By: 
Mary S. Mitchell, Member



STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a notary public in and for said County and State, personally appeared RANDALL L. MITCHELL and MARY S. MITCHELL, and acknowledged the execution of the above and foregoing instrument as their free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and official seal this 31st day of December, 2004.



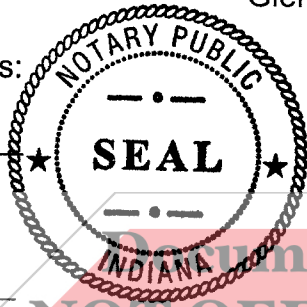
Glenn R. Patterson, Notary Public

My Commission Expires:

November 25, 2008

County of Residence:

Lake



This instrument prepared by Glenn R. Patterson, Esq., Lucas, Holcomb & Medrea, LLP, Easton Court, 300 East 90th Drive, Merrillville, Indiana 46410