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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2011 043529

2011 AUG 12 PM 2:46

MICHAEL J. JUAN
RECORDER

REAL ESTATE MORTGAGE

THIS INDENTURE WITNESSETH, that **ML Real Estate Holdings, LLC**, an Indiana limited liability company (the "**Mortgagor**"), MORTGAGES AND WARRANTS to **Richard D. Katz and Judy A. Katz** (the "**Mortgagees**"), the following described real estate and improvements:

The South 220.9 feet of the East 330 feet of the Northeast Quarter of the Northeast Quarter of Section 30, Township 36 North, Range 8 West of the Second Principal Meridian, lying North of the centerline of Ridge Road, except the East 190 feet thereof, in Lake County, Indiana.

An easement for ingress and egress along and over: The North 15 feet of the South 235.9 feet of the East 190 feet of the Northeast Quarter of the Northeast Quarter of Section 30, Township 36 North, Range 8 West of the Second Principal Meridian, lying North of the centerline of Ridge Road, except the East 40 feet thereof for Chase Street, in Lake County, Indiana

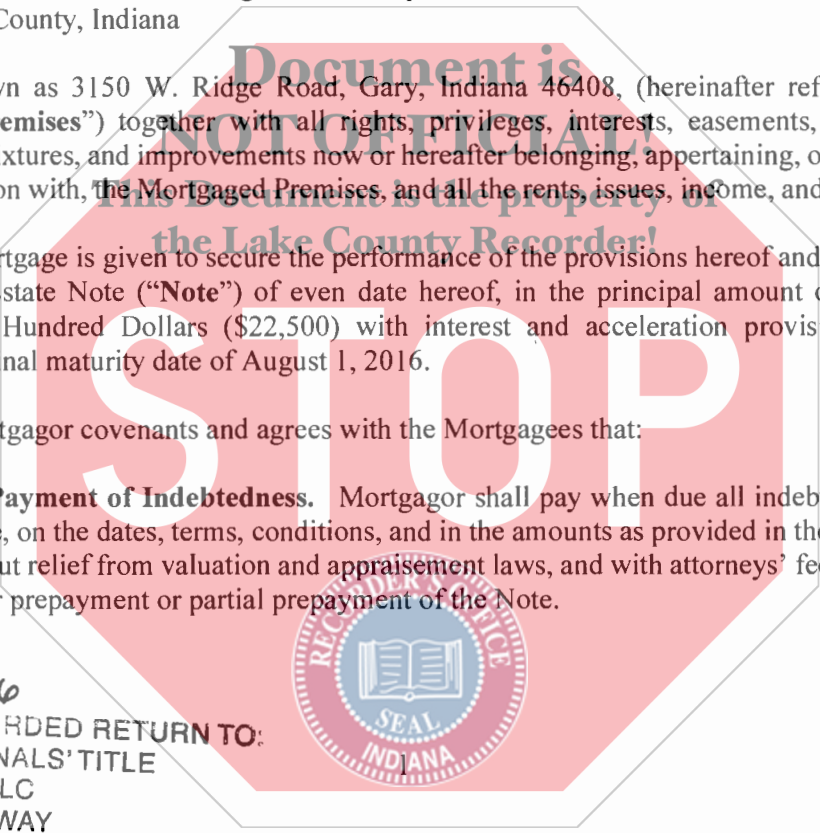
commonly known as 3150 W. Ridge Road, Gary, Indiana 46408, (hereinafter referred to as the "**Mortgaged Premises**") together with all rights, privileges, interests, easements, hereditaments, appurtenances, fixtures, and improvements now or hereafter belonging, appertaining, or attached to, or used in connection with, the Mortgaged Premises, and all the rents, issues, income, and profits thereof.

This Mortgage is given to secure the performance of the provisions hereof and the payment of a certain Real Estate Note ("**Note**") of even date hereof, in the principal amount of Twenty-Two Thousand Five Hundred Dollars (\$22,500) with interest and acceleration provisions as therein provided and a final maturity date of August 1, 2016.

The Mortgagor covenants and agrees with the Mortgagees that:

1. **Payment of Indebtedness.** Mortgagor shall pay when due all indebtedness secured by this Mortgage, on the dates, terms, conditions, and in the amounts as provided in the Note or in this Mortgage, without relief from valuation and appraisal laws, and with attorneys' fees. There shall be no penalty for prepayment or partial prepayment of the Note.

PTS11-6180
WHEN RECORDED RETURN TO:
PROFESSIONALS' TITLE
SERVICES, LLC
9195 BROADWAY
MERRILLVILLE, IN 46410



#20
CK#
3425
CA

2. **Subordination of Mortgage.** Mortgagees acknowledge and agree that this Mortgage shall be junior and subordinate to the first mortgage of Wells Fargo Bank, National Association, of even date hereof, on the Mortgaged Premises.

3. **No Liens.** Except as contemplated herein, Mortgagor shall not (a) mortgage or otherwise encumber the Mortgaged Premises in any manner whatsoever, or (b) permit any lien of mechanics or materialmen by, through or under Mortgagor or any party claiming under Mortgagor, to attach to and remain on the Mortgaged Premises or any part thereof for more than forty-five (45) days after receiving notice thereof.

4. **Repair of Mortgaged Premises, Insurance.** Mortgagor shall keep the Mortgaged Premises in good repair and shall not commit waste thereon. Mortgagor shall procure and maintain in effect at all times adequate insurance with insurance companies acceptable to the Mortgagees against loss, damage to, or destruction of the Mortgaged Premises because of fire, windstorm, or other such hazards in such amounts as Mortgagees may reasonably require from time to time.

5. **Taxes and Assessments.** Mortgagor shall pay all taxes or assessments levied or assessed against the Mortgaged Premises, or any part thereof, as and when due, and before penalties accrue.

6. **Advancements to Protect Security.** Mortgagees may, at their option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Mortgage. All sums so advanced and paid by the Mortgagees shall be payable upon demand or shall become a part of the indebtedness secured hereby, at the election of the holder, and shall bear interest at the rate of twelve percent (12%) per annum until paid in full. Such sums may include, but are not limited to, insurance premiums, taxes, assessments, and liens which may be or become prior and senior to this Mortgage as a lien on the Mortgaged Premises, or any part thereof, and all costs, expenses, and attorneys fees incurred by the Mortgagees in respect of any and all legal or equitable proceedings which relate to this Mortgage or the Mortgaged Premises.

7. **Default by Mortgagor, Remedies of Mortgagees.** Upon default by the Mortgagor in any payment provided for herein or in the Note, or in the performance of any covenant or agreement of the Mortgagor hereunder, or if the Mortgagor shall abandon the Mortgaged Premises, or if a trustee or receiver shall be appointed for the Mortgagor or for any part of the Mortgaged Premises, except if said trustee or receiver is appointed in any bankruptcy action, then and in any such event, the entire indebtedness secured hereby shall become immediately due and payable at the option of the Mortgagees, without notice, and this Mortgage may be foreclosed accordingly.

8. **Non-Waiver, Remedies Cumulative.** Time is of the essence in the performance of obligations hereunder. No delay by the Mortgagees in the exercise of any rights hereunder shall preclude the exercise thereof so long as the Mortgagor is in default hereunder, and no failure of the Mortgagees to exercise any rights hereunder shall preclude the exercise hereof in the event of subsequent default by the Mortgagor hereunder. Mortgagees may enforce any one or more of the rights or remedies hereunder successively or concurrently.

9. **Extensions, Reductions, Renewals, and Continued Liability of Mortgagor and Guarantor.** Mortgagees, at its option, may extend the time for the payment of the indebtedness, or reduce the payments thereon, or accept a renewal note or notes therefor, without consent of any junior lien holder, and without consent of the Mortgagor if the Mortgagor has then parted with title to the Mortgaged Premises. No such extension, reduction, or renewal shall affect the priority of this Mortgage or impair the security hereof in any manner whatsoever, or release, discharge, or affect in any manner the personal liability of the Mortgagor and the guarantor of the Note to the Mortgagees. This Mortgage shall secure any notes or other evidence of indebtedness given in substitution for the Note.

10. **Due on Sale.** If all or any part of the Mortgaged Premises, or any interest therein, is sold, transferred, assigned, or otherwise disposed of, or further encumbered by mortgage or otherwise, without Mortgagees' prior written consent, Mortgagees, at their option, may declare all sums secured by this Mortgage immediately due and payable. If Mortgagees exercises the option to accelerate payment of the indebtedness, all such indebtedness shall become due and payable within five (5) days after the mailing of a notice from Mortgagees to Mortgagor setting for the total sums due.

11. **Fixture Filing.** From the date of its recording, this Mortgage shall be effective as a financing statement with respect to all goods constituting part of the Mortgaged Premises which are or are to become fixtures related to the real estate described herein.

12. **Notices.** All notices pursuant to this Mortgage shall be in writing and shall be deemed to have been sufficiently given or served when presented personally or sent by United States registered mail return receipt requested to the following addressees (or at such other addresses as shall be specified by like notice):

Mailing Address of Mortgagees: Richard D. and Judy A. Katz
1208 West 124th Place
Crown Point, Indiana 46307

Mailing Address of Mortgagor: ML Real Estate Holdings, LLC
717 Eagle Creek Road
Valparaiso, Indiana 46385

13. **Severability.** If any provision of this Mortgage is declared by a court of competent jurisdiction to be invalid for any reason, such invalidity shall not affect the remaining provisions of this Mortgage. The remaining provisions shall be fully severable, and this Mortgage shall be construed and enforced as if the invalid provision had never been included in this Mortgage.

14. **General Agreement of Parties.** All rights and obligations hereunder shall extend to and be binding upon the several heirs, representatives, successors, and assigns of the parties to this Mortgage. When applicable, use of the singular form of any word also shall mean or apply to the plural and the masculine form shall mean and apply to the feminine or the neuter. The titles of the paragraphs of this Mortgage are for convenience only and do not define, limit, or construe the contents of such paragraphs.

15. **Governing Law.** This Mortgage shall be governed by the laws of the State of Indiana.

IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage the 10th day of August, 2011.

ML Real Estate Holdings, LLC, an Indiana limited liability company

By: [Signature]
Printed Name: MARCUS L. LARSON
Title: its manager

STATE OF INDIANA)
) SS:
COUNTY OF Lake)

Before me, a Notary Public in and for said County and State, personally appeared MARCUS L. LARSON, the its manager of **ML Real Estate Holdings, LLC**, an Indiana limited liability company, who acknowledged the execution of the foregoing Mortgage.

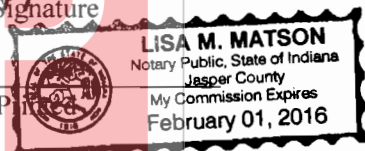
Witness my hand and Notarial Seal this 10th day of August, 2011.

My commission expires: _____

My county of residence is: _____

[Signature]
Notary Public - Signature

Notary Public - P



I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. [Signature] (Printed Name)

This instrument was prepared by and should be returned to: Ronald M. Katz, Katz & Korin, PC, 334 North Senate Avenue, Indianapolis, IN 46204