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Cook County Recorder

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THIS INSTRUMENT PREPARED
BY AND AFTER RECORDING,
PLEASE RETURN TO:



0020618205

Schain, Burney, Ross
& Citron, Ltd.
222 N. LaSalle Street
Suite 1910
Chicago, Illinois 60601

Attention: James Griffin

**THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT IS
SECONDARY AND SUBORDINATE TO ANY AND ALL DEBT OWED TO
KANKAKE FEDERAL SAVINGS BANK, SUCCESS NATIONAL BANK
AND THE APRIL, 2001 DEBT OWED TO GERALD W. FOGELSON**

**MORTGAGE, ASSIGNMENT OF LEASES
AND RENTS, AND SECURITY AGREEMENT**

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT ("Mortgage") is made as of the 3rd day of May, 2002, between **Martin Street Development, LLC**, an Illinois limited liability company, **Harbor Club, L.L.C.**, an Illinois limited liability company, and **Patrick Glenn**, individually (individually and collectively, "Borrower") and **Gerald W. Fogelson**, ("Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of One Hundred Thousand and No/100 Dollars (\$100,000.00) which indebtedness is evidenced by Borrower's Junior Mortgage Note dated of even date herewith and all modifications, substitutions, extensions and renewals thereof ("Note") providing for repayment of principal and interest and providing for a final payment of all sums due thereunder no later than June 3, 2002.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all charges provided herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements contained herein and in the Note, all future advances and all other indebtedness of Borrower to Lender whether now or hereafter existing (collectively, the "Secured Indebtedness" or "Indebtedness") and also in consideration of Ten Dollars (\$10.00), the receipt and sufficiency of which is acknowledged, Borrower does hereby convey, grant, mortgage and warrant to Lender that certain real estate located in, Hobart, Lake County, Indiana (the "Indiana Real Estate") and that certain real estate located at 18101 Martin Avenue, Homewood, Cook County, Illinois (the "Illinois Real Estate") all described on Exhibit A attached hereto, subject only to covenants, conditions, easements and restrictions set forth on Exhibit B, if any, ("Permitted Encumbrances").

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TOGETHER WITH all buildings, structures, improvements, tenements, fixtures, easements, mineral, oil and gas rights, water rights, appurtenances thereunto belonging, title or reversion in any parcels, strips, streets and alleys adjoining the Indiana Real Estate and Illinois Real Estate, any land or vaults lying within any street, thoroughfare or alley adjoining the Indiana Real Estate and Illinois Real Estate, and any privileges, licenses, and franchises pertaining thereunto, all of the foregoing now or hereafter acquired, all leasehold estates and all rents, issues, and profits thereof, for so long and during all such times as Borrower, its successors and assigns may be entitled thereto, all the estate, interest, right, title or other claim or demand which Borrower now has or may hereafter have or acquire with respect to: (i) proceeds of insurance in effect with respect to the Property (as hereinafter defined); and (ii) any and all awards, claims for damages, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Property, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "Awards") (which are pledged primarily and on a parity with the Indiana Real Estate and Illinois Real Estate and not secondarily), and all apparatus, equipment or articles now or hereafter located thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and any other apparatus, equipment or articles used or useful in the operation of the Property including all additions, substitutions and replacements thereof. All of the foregoing are declared to be a part of the Indiana Real Estate and Illinois Real Estate whether physically attached or not, and it is agreed that all similar apparatus, equipment, articles and fixtures hereafter placed on the Indiana Real Estate and Illinois Real Estate by Borrower or its successors or assigns shall be considered as constituting part of the Indiana Real Estate and Illinois Real Estate, respectively. (All of the foregoing, together with the Indiana Real Estate and Illinois Real Estate are hereinafter referred to as the "Property").

To have and to hold the Property unto the Lender, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Property is located, which rights and benefits Borrower does hereby expressly release and waive.

Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay or cause to be paid when due all Secured Indebtedness.
2. **Application of Payments.** Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Note and all other documents given to Lender to further evidence, secure or guarantee the Secured Indebtedness (collectively, the "Loan Documents") shall be applied by Lender first to payments for any sums advanced by Lender pursuant to Paragraph 7 to protect the security of this Mortgage, then to interest payable on the Note, and then to Note principal installments in the inverse order of their maturity).
3. **Prior Encumbrances; Liens.** Subject to the priority of Kankakee Federal Savings Bank with respect to the Illinois Real Estate and Success National Bank and Gerald W. Fogelson

with respect to the Indiana Real Estate, Borrower shall pay, extinguish and release all of Borrower's obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") creating a lien having priority over this Mortgage. Any failure to pay, extinguish and release any Prior Encumbrance shall be an Event of Default under this Mortgage. Nothing in this Paragraph shall be deemed to permit a Prohibited Transfer as defined in Paragraph 16 hereof.

Borrower shall keep the Property free from mechanics' and all other liens and encumbrances, except Permitted Encumbrances and statutory liens for real estate taxes and assessments not yet due and payable.

4. **Taxes and Assessments; Rents.** Borrower shall pay or cause to be paid when due all Impositions and water, sewer and other charges, fines and Impositions attributable to the Property. Borrower shall provide evidence satisfactory to Lender of compliance with these requirements promptly after the respective due dates for payment. Borrower shall pay, in full, but under protest in the manner provided by Statute, any tax or assessment Borrower desires to contest.

5. **Insurance.** Borrower shall keep in effect at all times and until the Indebtedness is paid in full, such insurance policies as evidenced by certificates of insurance or other evidence satisfactory to Lender evidencing that Borrower has adequate fire and extended coverage, and comprehensive liability insurance (including contractual liability and workers' compensation insurance) and such other insurance as Lender may reasonably require, in such form, in such amounts, with such deductibles and with such carriers as shall be required from time to time by Lender, naming Lender as an additional insured party and loss payee on standard mortgagee clauses and containing a prohibition against cancellation or modification without giving at least thirty (30) days prior written notice thereof to Lender.

6. **Use, Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good condition and repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower shall not commit or permit the storage, treatment or disposal of Hazardous Material, as defined in Paragraph 25, from or upon the Property. Borrower shall promptly restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed. Borrower shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Property, including all environmental, health and safety laws and regulations, and shall make no material alterations in the Property, except as required by law, without the prior written consent of Lender. Borrower shall not grant or permit any easements, licenses, covenants or declarations of use against the Property.

7. **Protection of Lender's Security.** If Borrower fails to perform any of the covenants and agreements contained in this Mortgage, the Note or the other Loan Documents, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or necessary to protect Lender's interest, including: (i) making repairs; (ii) discharging Prior Encumbrances in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, paying ground rents (if any); (iv) procuring insurance; and (v) renting,

operating and managing the Property and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Property shall be operational and usable for its intended purposes. Lender, in making payments of Impositions and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 7 shall be part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "Default Rate"). Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 7.

8. **Inspection of Property and Books and Records.** Borrower shall permit Lender and its representatives and agents to inspect the Property from time to time during normal business hours and as frequently as Lender requests. Borrower shall keep and maintain full and correct books and records showing in detail the income and expenses of the Property. From time to time upon not less than five (5) days demand, Borrower shall permit Lender or its agents to examine and copy such books and records and all supporting vouchers and data at its offices or at the address identified above.

9. **Condemnation.** Subject to the priority of Kankakee Federal Savings Bank, Success National Bank and Gerald W. Fogelson (pursuant to the April, 2001 loan), the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Lender. Borrower hereby grants a security interest to Lender in and to such proceeds. Lender is authorized to collect such proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Property or in payment of the Secured Indebtedness. In the event the Property is restored, Lender may pay the condemnation proceeds in accordance with customary construction loan payment procedures, and may charge a fee for such services. In the event the condemnation proceeds are applied to reduce the Secured Indebtedness, any such application shall constitute a prepayment.

10. **Borrower Not Released; Forbearance by Lender Not a Waiver; Remedies Cumulative.** Extension or other modification granted by Lender to any successor in interest of Borrower of the time for payment of all or any part of the Secured Indebtedness shall not operate to release, in any manner, the liability of the Borrower. Any forbearance or inaction by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 8 or otherwise, shall not be a waiver of Lender's right to accelerate the maturity of the Secured Indebtedness. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively. No consent or waiver by Lender to or of any breach or default by Borrower shall be deemed a consent or waiver to or of any other breach or default.

11. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective heirs, executors, legal representatives, successors and assigns of Lender and Borrower. Each Borrower hereto shall be jointly and severally liable hereunder.

12. **Loan Charges.** If the Loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits ("Excess Loan Charges") will, at Lender's option, either be refunded to Borrower or applied as a credit against the then outstanding principal balance or accrued and unpaid interest thereon. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Neither Borrower nor any other guarantor or obligor of the Note shall have any action against Lender for any damages whatsoever arising from the payment of Excess Loan Charges in accordance with the foregoing.

13. **Legislation Affecting Lenders' Rights.** If an enactment, modification or expiration of an applicable governmental law, ruling or regulation has the effect of rendering any provision of the Note, this Mortgage or any of the other Loan Documents unenforceable according to its terms, Lender, at its option upon giving written notice to Borrower allowing Borrower ninety (90) days to pay off the balance of the loan evidenced thereby, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 19.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be given by hand delivery, by nationally recognized overnight courier service or by certified mail, return receipt requested. Notices shall be given as follows:

If to Borrower: c/o Patrick Glenn
9700 West 197th Street
Mokena, Illinois 60448

with a copy to: Bettenhausen and Jarman, Ltd.
9700 West 197th Street
Mokena, Illinois 60448
Attention: Donald J. Bettenhausen

If to Lender: Gerald W. Fogelson
c/o The Fogelson Companies, Inc.
1211 South Michigan Avenue
Chicago, Illinois 60605

with a copy to: Schain, Burney, Ross & Citron, Ltd.
222 North LaSalle Street, Suite 1910
Chicago, Illinois 60601

Attention: Richard H. Levy

Notices shall be deemed to have been given and effective on the date of delivery if hand-delivered, the next business day after delivery to the nationally recognized overnight courier service if by such courier service, or two business days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are given by notice as provided herein

15. **Governing Law.** The rights and duties of the parties hereunder shall be construed, enforced and governed according to the laws of the State of Illinois, without reference to the conflict of laws principles of said State, all except insofar as the same relates to matters of foreclosure and title to which the laws of the State in which the Property is situated shall govern.

The parties hereby consent and irrevocably waive all objections to the jurisdiction and venue and convenience of forum of any court of general and competent jurisdiction located within the County of Cook, State of Illinois with respect to any legal proceeding arising out of or connected with this Agreement and agree that the mailing to their address(es) by registered mail, of any legal process shall constitute lawful and valid service of process in any proceeding, suit, or controversy. The parties shall bring any legal proceeding arising out of or connected with this Agreement only in the Federal or State courts located in the County of Cook, State of Illinois, which courts shall apply the laws as aforesaid. In the event that either party institutes any legal proceeding in any court other than a court located in the County of Cook, State of Illinois, that party shall assume all of the costs incurred in transferring said proceeding to a court located in the County of Cook, State of Illinois, including but not limited to the other party's attorney's and paralegal fees. Notwithstanding anything in this Agreement to the contrary, venue for any action relating to the title or foreclosure proceedings of the Collateral located in the State of Indiana shall lie in Lake County, Indiana, the place of location of such collateral.

16. **Prohibitions on Transfer of the Property or of an Interest in Borrower.** It shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Borrower shall create, effect or consent to or shall suffer or permit any lease, conveyance, sale (including an installment sale), assignment, transfer, lien, pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise, (collectively "Transfer") of (1) the Property or any part thereof or interest therein; or (2) all or a portion of the stock of any corporate Borrower that results or could result in a material change in the identity of the person(s) or entities previously in control of such corporation (each of the foregoing is referred to as a "Prohibited Transfer"). In the event of such default, Lender may declare the entire unpaid balance, including interest, immediately due and payable. The foregoing provisions of this Paragraph 17 shall not, however, apply to the lien of current Impositions and assessments not yet due and payable. This option shall not be exercised by Lender if prohibited by Federal law as of the date of this Mortgage.

17. **Event of Default.** Each of the following shall constitute an event of default ("Event of Default") under this Mortgage:

a. Borrower's failure to pay any amount due herein or secured hereby, or any installment of principal or interest when due and payable whether at maturity or by acceleration or

otherwise under the Note, this Mortgage, or any other Loan Document which failure continues for more than five (5) days from the due date; provided, however, that such five (5) day cure period shall not apply to the other subparagraphs of this Paragraph 18;

b. Borrower's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph 18) or any other document or instrument evidencing, guarantying or securing the Secured Indebtedness, and such failure continues for more than twenty-one (21) days after the earlier of the Borrower's becoming aware of such failure or notice thereof given by Lender to Borrower; provided, however, that such twenty-one (21) day cure period shall not apply to the other subparagraphs of this Paragraph 18;

c. the occurrence of any breach of any representation or warranty contained in this Mortgage or any other Loan Document;

d. a Prohibited Transfer occurs;

e. a court having jurisdiction shall enter a decree or order for relief in respect of Borrower in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law; or if Borrower, or any Guarantor of or person in control of Borrower, shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee (or similar official) of the Borrower or for any part of the Property or any substantial part of the Borrower's other property; (iii) make any assignment for the benefit of Borrower's creditors; (iv) fail generally to pay Borrower's debts as they become due;

f. all or a substantial part of Borrower's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;

g. if Borrower is other than a natural person or persons: (i) the dissolution or termination of existence of Borrower, voluntarily or involuntarily, whether by reason of death of a general partner of Borrower or otherwise; (ii) the amendment or modification in any respect of Borrower's articles or agreement of partnership or its corporate resolutions or its articles of incorporation or bylaws that would affect Borrower's performance of its obligations under the Note, this Mortgage or the other Loan Documents;

h. this Mortgage shall not constitute a valid lien on and security interest in the Property (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected;

i. the Property is abandoned;

j. an indictment or other charge is filed against Borrower or Guarantor, in any jurisdiction, under any federal or state law, for which forfeiture of the Property or of other collateral securing the Secured Indebtedness or of any other funds, property or other assets of Borrower,

Guarantor or Lender, is a potential penalty (unless such charge is dismissed within ten (10) days after filing);

k. Borrower's, or any Related Entity's, failure to pay, when due, any amount payable under any other obligation of Borrower, or any Related Entity of Borrower, to Lender, however created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, subject to applicable cure periods, if any. For purposes of this Mortgage, the Loan and the Loan Documents, (i) a "Related Entity" shall be defined as Borrower or any Guarantor (as defined in the Loan Agreement), or any corporation, partnership, limited liability company or other entity owned or controlled by Borrower or any Guarantor or any combination of Borrower and/or Guarantor, (ii) a "Borrower Affiliate" shall be defined as any general partner, venturer or controlling shareholder of Borrower or a guarantor of all or any part of the Secured Indebtedness;

- l. the dissolution of any Borrower or Guarantor;
- m. the death or legal incapacity of Patrick Glenn.

18. **ACCELERATION, REMEDIES.** AT ANY TIME AFTER AN EVENT OF DEFAULT, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDING ALL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PROPERTY SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND, AS SET FORTH IN PARAGRAPH 3 OF THIS MORTGAGE; AND THIRD, ANY BALANCE TO BORROWER.

19. **Assignment of Leases and Rents.** Subject to the priority of Kankakee Federal Savings Bank, Success National Bank and Gerald W. Fogelson (pursuant to the April, 2001 loan), all right, title, and interest of Borrower in and to all leases at the Property, if any, and all present and future leases affecting the Property, written or oral (collectively, "Leases"), and all rents, income, receipts, revenues, issues, avails and profits from or arising out of the Property (collectively "Rents") are hereby transferred and assigned to Lender as further security for the payment of the Secured Indebtedness, and Borrower hereby grants a security interest to Lender in and to the same. If requested by Lender, Borrower shall submit all future Leases affecting the Property to the Lender for its approval prior to execution, and all approved and executed Leases shall be specifically assigned to Lender by an instrument satisfactory to Lender. Each Lease shall, at the option of Lender, be paramount or subordinate to this Mortgage. Borrower shall furnish Lender with executed copies of each Lease and, if requested by Lender, with estoppel letters from each tenant,

which estoppel letters shall be in a form satisfactory to Lender and shall be delivered no later than thirty (30) days after Lender's written demand.

If, without Lender's prior written consent, Borrower; (i) as lessor, fails to perform and fulfill any term, covenant, or provision in any Lease; (ii) suffers or permits to occur any breach or default under the provisions of any separate assignment of any Lease given as additional security for the Secured Indebtedness; (iii) fails to fully protect, insure, preserve, and cause continued performance or fulfillment of the terms, covenants, or provisions, which are required to be performed by the lessee or the lessor of any other Lease or Leases hereafter assigned to Lender; (iv) cancels, terminates, or materially amends or modifies any Lease; or (v) permits or approves an assignment by lessee of a Lease or a subletting of all or any part of the Property demised in the Lease; such occurrence shall constitute an Event of Default hereunder.

Lender shall have the right to assign Borrower's right, title and interest in any Leases to any subsequent holder of this Mortgage or the Note and other Loan Documents or to any person acquiring title to all or any part of the Property through foreclosure or otherwise.

Upon an Event of Default, this Mortgage shall constitute a direction to each lessee under the Leases and each guarantor thereof, if any, to pay all Rents directly to Lender without proof of the Event of Default. Lender shall have the authority, as Borrower's attorney-in-fact (such authority being coupled with an interest and irrevocable) to sign the name of Borrower and to bind Borrower and to bind Borrower on all papers and documents relating to the operation, leasing and maintenance of the Property. While this assignment is a present assignment, Lender shall not exercise any of the rights or powers conferred upon it by this Paragraph until an Event of Default shall occur under this Mortgage.

If Borrower, as lessor, shall neglect or refuse to perform and keep all of the covenants and agreements contained in the Lease or Leases, then Lender may perform and comply with any such Lease covenants and agreements. All related costs and expenses incurred by the Lender shall become a part of the Secured Indebtedness and shall be due and payable upon demand by Lender with interest thereon accruing thereafter at the Default Rate.

Lender, however, shall not be obligated to perform or discharge any obligation, duty or liability under any Lease. Borrower shall, defend, protect, indemnify and hold Lender harmless from and against any and all liability, loss or damage to Lender under the Leases or under or by reason of their assignments and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of all alleged obligations or undertakings on its part to perform or discharge any Lease terms, covenants or agreements. The amount of any such liability, loss or damage arising under the Leases or under or by reason of their assignment, or in the defense of any claims or demands, including costs, expenses and reasonable attorneys' fees, incurred by Lender shall be a part of the Secured Indebtedness due and payable upon demand with interest thereon accruing thereafter at the Default Rate.

20. **Appointment of Receiver.** Upon acceleration under Paragraphs 16 or 18, or abandonment of the Property, and without further notice to Borrower, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and

to collect the Rents including those past due. The receiver shall have the power to collect the Rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All Rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the costs and expenses of the management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in Paragraph 3. The receiver shall be liable to account only for those Rents actually received.

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21. **Release and Partial Release.** Upon payment of all Secured Indebtedness, Lender shall release this Mortgage upon payment by Mortgagor of all costs and fees to release same, if any. Mortgagor shall be responsible for recording the release, including all related costs of recordation. Lender may, at any time and from time to time, with or without consideration, release any portion of the Premises from the lien of this Mortgage, release any person liable for any Indebtedness secured by this Mortgage or extend the time for payment of all or any portion of the Indebtedness secured by this Mortgage without in any way affecting the lien of this Mortgage or the priority thereof (except as specifically set forth in such release) and without in any way affecting the obligations of any party liable for the Indebtedness secured by this Mortgage (except as specifically set forth in such release or extension). Lender shall issue partial releases of the lien of this Mortgage if and when required to do so under the Loan Agreement.

22. **Security Agreement.** Without limiting any other provisions of this Mortgage, this Mortgage constitutes a "security agreement" under the Uniform Commercial Code of the State of Illinois and of the State of Indiana (herein collectively called the "Code") with respect to all fixtures, apparatus, equipment or articles, and all replacements and substitutions, now or hereafter located on the Property as set forth in the description of the Property above, including but not limited to the air-conditioning, heating, gas, water, power, light, refrigeration, and ventilation systems which are presently located at the Property, and with respect to all Funds and other sums which may be deposited with Lender pursuant hereto (all for the purposes of this Paragraph called "Collateral"), and Borrower hereby grants to Lender a security interest in such Collateral. All of 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 Property. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have all remedies of a secured party under the Code. This Mortgage is intended to be a financing statement with respect to any other Collateral which constitutes "fixtures" within the meaning of the Code. Borrower shall execute and deliver to Lender any financing statements necessary to perfect the security interest in the Collateral created hereby. Any Code requirement for reasonable notice shall be met if such notice is delivered as provided herein at least five (5) days prior to the time of any sale, disposition, or other event or matter giving rise to the notice (which period of time and method of notice is agreed to be commercially reasonable).

23. **Zoning.** The Property is zoned to permit the Borrower's intended use of the Property. Borrower will not initiate or acquiesce in a zoning reclassification without Lender's prior written consent.

24. **Business Loan.** Borrower hereby represents and warrants that:

- a. the proceeds of the Secured Indebtedness (the "Loan") will be used for business purposes :
- b. the Loan constitutes a "business loan" within the purview of applicable Indiana law;
- c. the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. 1601, et seq.; and

d. the proceeds of the Secured Indebtedness will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

25. **Environmental Compliance.** Borrower hereby represents and warrants to Lender and covenants with Lender that:

a. **Definitions.** For purposes of this Paragraph 25:

(i) "Property" means: The Indiana Real Estate and Illinois Real Estate including improvements presently and hereafter situated thereon or thereunder, construction material used in such improvements, surface and subsurface soil and water, areas leased to tenants, and all business, uses and operations thereon.

(ii) "Environmental Laws" means:

(1) any present or future federal statute, law, code, rule, regulation, ordinance, order, standard, permit, license, guidance document or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment, including, but not limited to: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq.;

(2) any present or future state or local statute, law, code, rule, regulation, ordinance, order, standard, permit, license or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment.

(iii) "Hazardous Material" means:

(1) "hazardous substances" as defined by CERCLA;

(2) "hazardous wastes", as defined by RCRA;

(3) "hazardous substances", as defined by the Clean Water Act;

(4) any item which is banned or otherwise regulated pursuant to TOSCA;

(5) any item which is regulated by the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 et seq.;

(6) any item which triggers any thresholds regulated by or invoking any provision of the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001 et seq.;

(7) any hazardous, dangerous or toxic chemical, material, waste, pollutant, contaminant or substance ("pollutant") within the meaning of any Environmental Law prohibiting, limiting or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;

(8) any petroleum, crude oil or fraction thereof;

(9) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. Section 2011 et seq., and amendments thereto and reauthorizations thereof;

(10) asbestos-containing materials in any form or condition; and

(11) polychlorinated biphenyls ("PCBs") in any form or condition.

(iv) "Environmental Actions" means:

(1) any notice of violation, complaint, claim, citation, demand, inquiry, report, action, assertion of potential responsibility, lien, encumbrance, or proceeding regarding the Property, whether formal or informal, absolute or contingent, matured or unmatured, brought or issued by any governmental unit, agency, or body, or any person or entity respecting:

(a) Environmental Laws;

(b) the environmental condition of the Property, or any portion thereof, or any property near the Property, including actual or alleged damage or injury to humans, public health, wildlife, biota, air, surface or subsurface soil or water, or other natural resources; or

(c) the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of Hazardous Material either on the Property or off-site.

(2) any violation or claim of violation by Borrower of any Environmental Laws whether or not involving the Property;

(3) any lien for damages caused by, or the recovery of any costs incurred by any person or governmental entity for the investigation, remediation or cleanup of any release or threatened release of Hazardous Material; or

(4) the destruction or loss of use of property, or the injury, illness or death of any officer, director, employee, agent, representative, tenant or invitee of Borrower or any other

person alleged to be or possibly to be, arising from or caused by the environmental condition of the Property or the release, emission or discharge of Hazardous Materials from the Property.

b. **Representations and Warranties.** Borrower hereby represents and warrants to Lender that:

(i) **Compliance.** To the best of Borrower's knowledge, based on all appropriate and thorough inquiry, the Property and Borrower have been and are currently in compliance with all Environmental Laws. There have been, to the best of Borrower's knowledge based on all appropriate and thorough inquiry, no past, and there are no pending or threatened, Environmental Actions to which Borrower is a party or which relate to the Property. All required governmental permits and licenses are in effect, and Borrower is in compliance therewith. Borrower has not received any notice of any Environmental Action respecting Borrower, the Property or any off-site facility to which has been sent any Hazardous Material for off-site treatment, recycling, reclamation, reuse, handling, storage, sale or disposal.

(ii) **Absence of Hazardous Material.** No use, exposure, release, emission, discharge, generation, manufacture, sale, handling, reuse, presence, storage, treatment, transport, recycling or disposal of Hazardous Material has, to the best of Borrower's knowledge, based on all appropriate and thorough inquiry, occurred or is occurring on or from the Property except in compliance with Environmental Laws. The term "released" shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Material). To the best of Borrower's knowledge, all Hazardous Material used, treated, stored, transported to or from, generated or handled on the Property has been disposed of on or off the Property in a lawful manner. To the best of Borrower's knowledge, no environmental, public health or safety hazards currently exist with respect to the Property. To the best of Borrower's knowledge, no underground storage tanks (including but not limited to petroleum or heating oil storage tanks) are present on or under the Property, or have been on or under the Property except as has been disclosed in writing to Lender ("Disclosed Tanks").

c. **Borrower's Covenants.** Borrower hereby covenants and agrees with Lender as follows:

(i) **Compliance.** The Property and Borrower shall comply with all Environmental Laws. All required governmental permits and licenses shall be obtained and maintained, and Borrower shall comply therewith. All Hazardous Material on the Property will be disposed of in a lawful manner without giving rise to liability under any Environmental Laws. Borrower will satisfy all requirements of applicable Environmental Laws for the registration, operation, maintenance, closure and removal of all underground storage tanks on the Property, if any. Without limiting the foregoing, all Hazardous Material shall be handled in compliance with all applicable Environmental Laws.

(ii) **Absence of Hazardous Material.** Other than Disclosed Material, no Hazardous Material shall be introduced to or used, exposed, released, emitted, discharged, generated,

manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on the Property without thirty (30) days' prior written notice to Lender.

(iii) **Environmental Actions and Right to Consent.** Borrower shall immediately notify Lender of all Environmental Actions and provide copies of all written notices, complaints, correspondence and other documents relating thereto within two business days of receipt, and Borrower shall keep Lender informed of all responses thereto. Borrower shall promptly cure and have dismissed with prejudice all Environmental Actions in a manner satisfactory to Lender and Borrower shall keep the Property free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any Environmental Actions. Notwithstanding the foregoing sentence, Borrower may, diligently, in good faith and by appropriate legal proceedings, contest such proceedings provided:

(1) Borrower first furnishes to Lender such deposits or other collateral as Lender, in its sole discretion, deems sufficient to fully protect Lender's interests;

(2) such contest shall have the effect of preventing any threatened or pending sale or forfeiture of all or any portion of the Property or the loss or impairment of Lender's lien and security interests in and to the Property; and

(3) such contest will not cause Lender to incur any liability, in Lender's sole judgment. Borrower shall permit Lender, at Lender's option, to appear in and to be represented in any such contest and shall pay upon demand all expenses incurred by Lender in so doing, including attorneys' fees.

(iv) **Future Environmental Audits.** Borrower shall provide such information and certifications which Lender may reasonably request from time to time to monitor Borrower's compliance with this Article for the sole purpose of protecting Lender's security interest. To protect its security interest, Lender shall have the right, but not the obligation, at any time to enter upon the Property, take samples, review Borrower's books and records, interview Borrower's employees and officers, and conduct such other activities as Lender, at its sole discretion, deems appropriate. Borrower shall cooperate fully in the conduct of such an audit. If Lender decides to conduct such an audit because of: (a) an Environmental Action; (b) Lender's considering taking possession of or title to the Property after default by Borrower; (c) a material change in the use of the Property, which in Lender's opinion, increases the risk to its security interest; or (d) the introduction of Hazardous Material other than Disclosed Material to the Property; then Borrower shall pay upon demand all costs and expenses connected with such audit, which, until paid, shall become additional indebtedness secured by the Loan Documents and shall bear interest at the Default Rate. Nothing in this Article shall give or be construed as giving Lender the right to direct or control Borrower's actions in complying with Environmental Laws.

(v) **Event of Default and Opportunity to Cure.** If Borrower fails to comply with any of its covenants contained in this Section C within thirty (30) days after notice by Lender to Borrower, Lender may, at its option, declare an Event of Default. If, however, the noncompliance cannot, in Lender's reasonable determination, be corrected within such thirty (30) day period, and if Borrower has promptly commenced and diligently pursues action to cure such

noncompliance to Lender's satisfaction, then Borrower shall have such additional time as is reasonably necessary to correct such noncompliance, provided Borrower continues to diligently pursue corrective action, but in no event more than a total of one hundred eighty (180) days after the initial notice of noncompliance by Lender.

(vi) There are no pending or threatened: (i) actions or proceedings from any governmental agency or any other entity regarding the condition or use of the Property, or regarding any environmental, health or safety law; or (ii) "superliens" or similar governmental actions or proceedings that could impair the value of the Property, or the priority of the lien of this Mortgage or any of the other Loan Documents (collectively "Environmental Proceedings"). Borrower will promptly notify Lender of any notices, or other knowledge obtained by Borrower hereafter of any pending or threatened Environmental Proceedings, and Borrower will promptly cure and have dismissed with prejudice any such Environmental Proceedings to the satisfaction of Lender.

(vii) Any fees, costs and expenses imposed upon or incurred by Lender on account of any breach of this Paragraph 27 shall be immediately due and payable by Borrower to Lender upon demand, and shall (together with interest thereon at the Default Rate accruing from the date such fees, costs and expenses are so imposed upon or incurred by Lender) become part of the Secured Indebtedness. Borrower shall keep, save and protect, defend, indemnify and hold Lender harmless from and against any and all claims, loss, cost, damage, liability or expense, including reasonable attorneys' fees, sustained or incurred by Lender by reason of any Environmental Proceedings or the breach or default by Borrower of any representation, warranty or covenant contained in this Paragraph 18.

d. **Lender's Right to Rely.** Lender is entitled to rely upon Borrower's representations, warranties and covenants contained in this Paragraph 27 despite any independent investigations by Lender or its consultants. The Borrower shall take all necessary actions to determine for itself, and to remain aware of, the environmental condition of the Property. Borrower shall have no right to rely upon any independent environmental investigations or findings made by Lender or its consultants unless otherwise stated in writing therein and agreed to in writing by Lender.

e. **Indemnification.** The term "Lender's Environmental Liability" shall mean any and all losses, liabilities, obligations, penalties, claims, fines, lost profits, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including consequential, punitive and exemplary damages), disbursements or expenses of any kind or nature whatsoever (including attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's parent and subsidiary corporations and their affiliates, shareholders, directors, officers, employees, and agents (collectively Lender's "Affiliates") in connection with or arising from:

(i) any Hazardous Material used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Property, or any surrounding areas;

(ii) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Article;

(iii) any violation, liability or claim of violation or liability, under any Environmental Laws;

(iv) the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of, any release or threatened release of Hazardous Material; or

(v) any Environmental Actions.

Borrower shall indemnify, defend (at trial and appellate levels and with counsel, experts and consultants acceptable to Lender and at Borrower's sole cost) and hold Lender and its Affiliates free and harmless from and against Lender's Environmental Liability (collectively, "Borrower's Indemnification Obligations"). Borrower's Indemnification Obligations shall survive in perpetuity with respect to any Lender's Environmental Liability.

Borrower and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under or with respect to any Environmental Laws. Borrower's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Borrower or Lender with respect to the violation or condition which results in liability to Lender.

26. **Compliance with Mortgage Foreclosure Law** If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Foreclosure Laws or the Indiana Statutes, as the case may be (the "Act"), the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act. If any Mortgage provision shall grant to Lender any rights or remedies upon Borrower's default which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of such provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in Paragraph 18 of this Mortgage, shall be added to the Secured Indebtedness secured by this Mortgage or by the judgment of foreclosure.

27. **Interpretation.** This Mortgage shall be construed pursuant to the laws of the State of Illinois. The headings of paragraphs in this Mortgage are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions. The use of singular and plural nouns, and masculine, feminine, and neuter pronouns, shall be fully interchangeable, where the context so requires. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is

adjudicated to be invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included. Time is of the essence of the payment and performance of this Mortgage.

28. **Waiver of Right of Redemption.** To the full extent permitted by law, Borrower hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Borrower hereby expressly waives any and all rights of redemption, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Borrower and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such right of redemption of Borrower, and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Borrower agrees that it will not, by involving or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Borrower hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note.

29. **WAIVER OF JURY TRIAL.** BORROWER AND LENDER WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (i) UNDER THIS MORTGAGE, THE OTHER LOAN DOCUMENTS OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH; OR (ii) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS. BORROWER AND LENDER AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.


30. **Recording.** This Mortgage is executed in duplicate to permit the simultaneous recording of the Mortgage in Lake County, Indiana and Cook County, Illinois.


[signatures appear on following page]


IN WITNESS WHEREOF, Borrower has executed this Mortgage as of the date and year first above written.

MARTIN STREET DEVELOPMENT, L.L.C.,
an Illinois limited liability company

HARBOR CLUB, L.L.C.,
an Illinois limited liability company

By: 
Patrick Glenn, Manager

By: 
Patrick Glenn, Manager


PATRICK GLENN, individually

F:\HOME\TB\LOANS\FOGELSON\PATGLENN\MORTGAGE01.DOC

Property of Cook County Clerk's Office

UNOFFICIAL COPY

0020618205

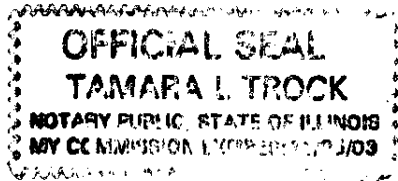
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County and State, **DO HEREBY CERTIFY** that **Patrick Glenn**, the sole Manager of each: **MARTIN STREET DEVELOPMENT, LLC**, an Illinois limited liability company and **HARBOR CLUB, L.L.C.**, an Illinois limited liability company (individually and collectively, the "Company") whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument, on behalf of each said Company and as his free and voluntary act, and as the duly authorized and free and voluntary act of each Company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial seal, this 3rd day of May, 2002.

Tamara L. Trock
Notary Public

My Commission expires: 11-6-03



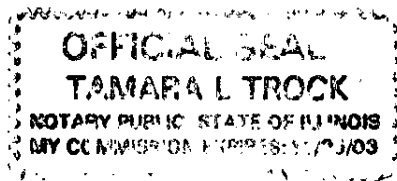
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY THAT Patrick Glenn**, 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 for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 3rd day of May, 2002.

Tamara L. Trock
Notary Public

My Commission expires: 11-6-03



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EXHIBIT "A"
Legal Description

0020618205

Illinois Real Estate:

Lots 4 and 5 in Block "F" in the Village of Hartford (now called Homewood) in Section 31, Township 36 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 29-31-311-003-0000

Commonly known as : 18101 Martin Avenue, Homewood, Illinois.

Indiana Real Estate:

Part of the Southwest 1/4 of Section 29, Township 36 North, Range 7 West of the Second Principal Meridian, described as follows:

Beginning at the intersection of the Northerly right- of- way line of the Pittsburgh, Fort Wayne and Chicago Railroad and the West line do said Southwest 1/4; thence North 00 degrees 00 minutes 00 seconds East along said West line, 965.00 feet; thence South 73 degrees 29 minutes 44 seconds East, 704.00 feet; thence South 27 degrees 55 minutes 11 seconds West, 145.00 feet; thence South 10 degrees 14 minutes 42 seconds West, 180.00 feet; thence South 09 degrees 22 minutes 52 seconds East, 50.00 feet; thence South 51 degrees 08 minutes 59 seconds West, 40.00 feet; thence South 08 degrees 47 minutes 53 seconds East, 70.00 feet; thence South 53 degrees 29 minutes 26 seconds East, 105.00 feet; thence South 21 degrees 42 minutes 56 seconds East 80.00 feet; thence South 32 degrees 13 minutes 36 seconds East, 136.00 feet; thence South 40 degrees 08 minutes 35 seconds East, 100.00 feet; thence South 29 degrees 53 minutes 09 seconds East, 170.00 feet; thence South 26 degrees 46 minutes 04 seconds East, 130 feet; thence South 45 degrees 20 minutes 44 seconds East, 100.00 feet; thence South 41 degrees 31 minutes 55 seconds East, 100.00 feet; thence South 33 degrees 21 minutes 59 seconds East, 63.00 feet; thence South 4 degrees 42 minutes 07 seconds East, 50.00 feet; thence North 77 degrees 32 minutes 02 seconds East, 40.00 feet; thence South 22 degrees 31 minutes 09 seconds West, 96.39 feet to the Northerly line of the Pittsburgh, Fort Wayne and Chicago Railroad; thence North 64 degrees 51 minutes 00 seconds West, along said Northerly line 1019.30 feet; thence Westerly along a curve to the right with a radius of 5678.04 feet for an arc distance of 369.46 feet to the point of beginning, in Lake County, Indiana.

Real Estate Tax Key number 17-10-2

UNOFFICIAL COPY

EXHIBIT "B"
Permitted Encumbrances

0020618205

Illinois Real Estate:

1. general real estate taxes not yet due and payable.
2. Mortgage dated August 23, 2001 and recorded October 19, 2001 as document no. 0010955582 by martin Street Development, LLC to Kankakee Federal Savings Bank and the related assignment of leases and rents.

Indiana Real Estate:

1. general real estate taxes not yet due and payable.
2. Mortgage in favor of Success National Bank dated April 25, 2000 and the related assignment of leases and rents.
3. Junior Mortgage in favor of Gerald W. Fogelson dated April, 2001.
4. Covenants, conditions and restrictions contained in agreement between Lake in the Woods Association, LLC and Hidden Lake Development dated October 20, 1997 and recorded November 17, 1997 as document no. 97078536.
5. Easement as reserved in Warranty Deed dated February 4, 1972 and recorded October 14, 1975 as document no. 320801.
6. Perpetual Easement recorded March 1, 1972 as document no. 138845.
7. Utility easements of record.