

#4-4138
R-61026

CTIC
111 W. Wacker Dr
Chgo, Ill 60602
Attn: S. Collier

THIRD MORTGAGE
For Use With Note Form No. 1447

CAUTION: Consult a lawyer before using or acting under this form
warranties, including merchantability and fitness, are excluded

094239

LIBERTY REALTY CO., a New York limited partnership
("Mortgagors") as the sole beneficiary of

THIS INDENTURE, made July 7 1987, between
LAKE COUNTY TRUST COMPANY, not personally
but as Trustee under Trust Agreement dated June 26,
1987 and known as Trust No. 3740 ("Trust No. 3740"),
(NO. AND STREET) (CITY) (STATE)
herein referred to as "Mortgagors," and J. Wolf Realty, as
agent,
1273 53rd Street, New York, NY 11219
(NO. AND STREET) (CITY) (STATE)

STATE OF INDIANA/S.S. NO.
LAKE COUNTY
FILED IN RECORD
APR 9 9 57 AM '90
ROBERT '90S' PEELAND
RECORDER

Above Space For Recorder's Use Only

herein referred to as "Mortgagee," witnesseth:

THAT WHEREAS the Mortgagors are justly indebted to the Mortgagee upon the installment note, of even date herewith, in the principal sum of
One Hundred Thousand and no/100 DOLLARS
(\$100,000.00), payable to the order of and delivered to the Mortgagee, in and by which note the Mortgagors promise to pay the said principal
sum and interest at the rate and in installments as provided in said note, with a final payment of the balance due on the 1st day of February
1994 and all of said principal and interest are made payable at such place as the holders of the note may, from time to time, in writing appoint, and in absence
of such appointment, then at the office of the Mortgagee at J. Wolf Realty, 1273 53rd Street, Brooklyn, New York
11219

NOW, THEREFORE, the Mortgagors to secure the payment of the said principal sum of money and said interest in accordance with the terms, provisions
and limitations of this mortgage, and the performance of the covenants and agreements herein contained, by the Mortgagors to be performed, and also in
consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, do by these presents CONVEY AND WARRANT unto the
Mortgagee, and the Mortgagee's successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein, situate, lying
and being in the City of Merrillville, COUNTY OF Lake AND STATE OF INDIANA, to w



Address of Real Estate: LIBERTY SQUARE SHOPPING CENTER, MERRILLVILLE, INDIANA

which, with the property hereinafter described, is referred to herein as the "premises."
TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging; and all rents, issues and profits thereof for so
long and during all such times as Mortgagors may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily) and
all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether
single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor
coverings, inador beds, awnings, stoves and water heaters. All of the foregoing are declared to be a part of said real estate whether physically attached thereto
or not; and it is agreed that all similar apparatus, equipment or articles hereafter placed in the premises by Mortgagors or their successors or assigns shall be
considered as constituting part of the real estate.

TO HAVE AND TO HOLD the premises unto the Mortgagee; and the Mortgagee's successors and assigns, forever, for the purposes; and upon the uses
herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of INDIANA which said rights and benefits
the Mortgagors do hereby expressly release and waive.

The name of a record owner is: Trust No. 3740
This mortgage consists of one pages. The covenants, conditions and provisions appearing on page 2 (the reverse side of this mortgage) are incorporated
herein by reference and are a part hereof and shall be binding on Mortgagors, their heirs, successors and assigns.
Witness the hand . . . and seal . . . of Mortgagors the day and year first above written.

PLEASE PRINT OR TYPE NAME(S) BELOW SIGNATURE(S)
By: Mendel/Borg Group, Inc. (Seal) General Partner
By: [Signature] (Seal)
Its: _____ (Seal)

OFFICIAL SEAL
HARRIS DEMBO
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. MAY 6, 1992

State of Illinois, County of Cook, ss.
I, the undersigned, a Notary Public in and for said County
in the State aforesaid, DO HEREBY CERTIFY that [Signature] ABRAHAM MENDEL

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, sealed and delivered the said instrument as
his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the
right of homestead.

Given under my hand and official seal, this 7th day of July 1987
Commission expires _____ 19____
[Signature] Notary Public

This instrument was prepared by Elaine Hodges, Esq., Altheimer & Gray, 333 W. Wacker-Drive, Suite 2600, Chicago, IL 6060
(NAME AND ADDRESS)

Mail this instrument to Lawrence Frank, 350 W. Hubbard Street, Chicago, Ill 60610-4011
Attn: Harold Herbo
(CITY) (STATE) (ZIP CODE)

OR RECORDER'S OFFICE BOX NO _____

CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

THE COVENANTS, CONDITIONS AND PROVISIONS REFERRED TO ON PAGE 1 (THE REVERSE SIDE OF THIS MORTGAGE):

1. Mortgagors shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed. (2) keep said premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof. (3) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee. (4) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof. (5) make no material alterations in said premises except as required by law or municipal ordinance.

2. Mortgagors shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagors shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may desire to contest.

3. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagors, or changing in any way the laws relating to the taxation of mortgages or debt secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Mortgagors, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor.

4. If, by the laws of the United States of America or of any state having jurisdiction in the premises, any tax is due or becomes due in respect of the issuance of the note hereby secured, the Mortgagors covenant and agree to pay such tax in the manner required by any such law. The Mortgagors further covenant to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the note secured hereby.

5. At such time as the Mortgagors are not in default either under the terms of the note secured hereby or under the terms of this mortgage, the Mortgagors shall have such privilege of making prepayments on the principal of said note (in addition to the required payments) as may be provided in said note.

6. Mortgagors shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the respective dates of expiration.

7. In case of default herein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagors in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagors.

NOT OFFICIAL

9. Mortgagors shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof. At the option of the Mortgagee and without notice to Mortgagors, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the note or in this mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any installment of principal or interest on the note; or (b) when default shall occur and continue for three days in the performance of any other agreement of the Mortgagors herein contained.

10. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included, as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches, and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured, or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced, or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the premises or the security hereof.

11. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceeding, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the note; fourth, any overplus to Mortgagors, their heirs, legal representatives or assigns, as their rights may appear.

12. Upon or at any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint a receiver of said premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagors at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagors, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or by any decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency. Mortgagor hereby reserves the right of redemption from and after any foreclosure proceedings.

13. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the note hereby secured.

14. The Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

~~15. The Mortgagors shall periodically deposit with the Mortgagee such sums as the Mortgagee may require to be deposited for the payment of taxes and assessments on the premises. No such deposit shall bear any interest.~~

16. If the payment of said indebtedness, or any part thereof be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force.

17. Mortgagee shall release this mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment ~~thereof~~ to Mortgagee for the ~~purpose~~ of such release.

18. This mortgage and all provisions hereof, shall extend to and be binding upon Mortgagors and all persons claiming under or through Mortgagors, and the word "Mortgagors" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the note secured hereby.

within (10) days after giving Mortgagor written notice of Mortgagee's intent to foreclose

If Crown Life (as defined herein) is satisfied with the insurance on the premises, Mortgagee shall be deemed to be satisfied as well. In the event Mortgagor elects to rebuild, all proceeds of insurance shall be paid to Mortgagor if Crown Life has agreed to such payment.

19. This Mortgage shall be subordinate at all times to the mortgage of Crown Life Insurance Company ("Crown Life") dated even date herewith and recorded as document 926807 ("Crown Life Mortgage") or any mortgage which is the result of a refinancing of the Crown Life Mortgage, said refinancing not to exceed the amount of original Crown Life Mortgage. Mortgagee agrees to execute any documents requested by Mortgagor or Crown Life or any subsequent lender to evidence the subordination of this lien together with any estoppel letters regarding the current status of the indebtedness secured hereby.

20. This Mortgage shall be subordinate at all times to the Second Mortgage held by Mortgagee dated even date herewith securing the indebtedness of Trust No. 3740 in the original principal amount of \$150,000. This document is the property of the Lake County Recorder! *not be assigned*

21. No personal liability shall be asserted or be enforceable against the Mortgagor because or in respect of this document.

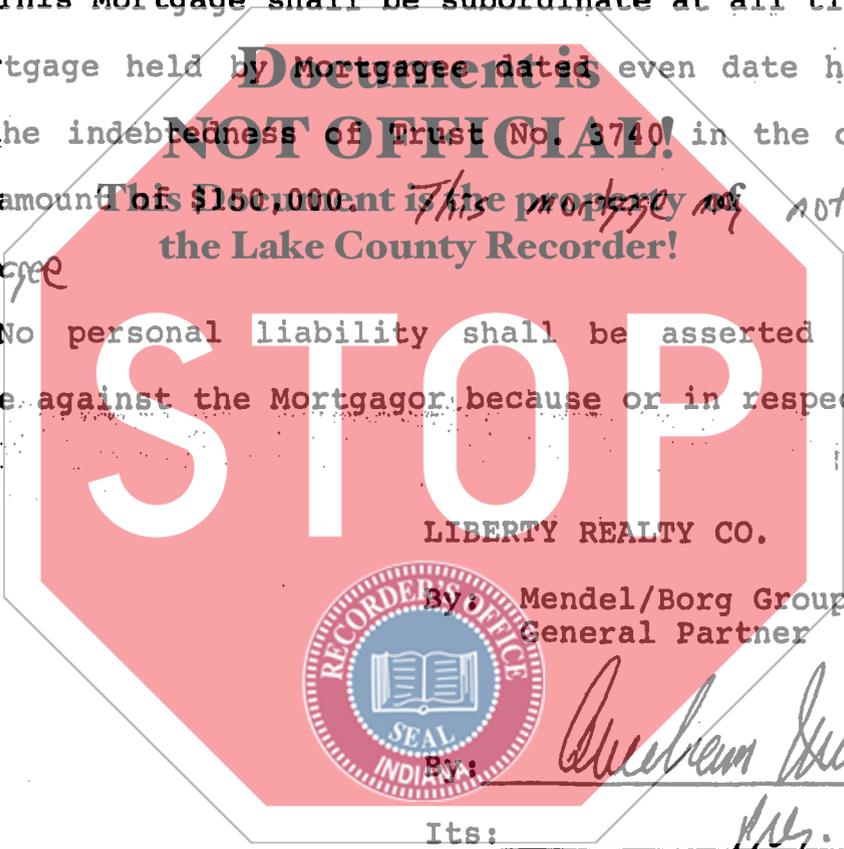


EXHIBIT A

LEGAL DESCRIPTION

Parcel 1:

A part of the East Half of the Northeast Quarter of Section 21, Township 35 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana, described as follows: Beginning at a point which is 1139.12 feet South of the Northeast corner of said Section 21; thence West and parallel with the North line of said Section 21, a distance of 500.00 feet; thence South and parallel with the East line of said Section 21, a distance of 200.00 feet; thence East and parallel with the North line of said Section 21, a distance of 500.00 feet; thence North a distance of 200 feet to the point of beginning.

Parcel 2:

Part of the East Half of the Northeast Quarter of Section 21, Township 35 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana, described as follows: Beginning at a point which is 961.12 feet South of the Northeast corner of said Section 21; thence West and parallel with the North line of said Section 21, a distance of 500 feet; thence South and parallel with the East line of said Section 21, a distance of 178 feet; thence East and parallel with the North line of said Section 21, a distance of 500 feet; thence North a distance of 178 feet to the point of beginning, in Lake County, Indiana.

