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CAUTION Consult a lawyer before using or acting under the form. All warranties, including merchantability and fitness, are excluded.

THIS INDENTURE, made July 7 19 87, 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 "Mortgagee," 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 FOR RECORD APR 9 9 57 AM 1987 ROBERT J. BOBBI SECRETARY 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 Three Hundred Thousand and no/100 ***** DOLLARS (\$ 300,000.00), 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 19 94 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 wit: INDIANA

NOT OFFICIAL! See Exhibit A attached hereto and made a part hereof This Document is the property of the Lake County Recorder!

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



This mortgage may not be assigned by mortgagee.

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 thereon (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 three 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) LIBERTY REALTY CO. By: Mendel/Borg Group, Inc. General Partner By: [Signature] Its: [Signature]

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

IMPRESS SEAL HERE 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 free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

OFFICIAL SEAL Given under Authority of Public State of Illinois NOTARY PUBLIC STATE OF ILLINOIS MAY 6, 1992

7th day of July 19 87 Notary Public

THIS instrument was prepared by Elaine Hodges, Esq., Appelmer & Gray, 333 W. Wacker Drive, Suite 2600, Chicago, IL 60601

Mail this instrument to [Address] Chgo, Ill 60610 (CITY) (STATE) (ZIP CODE)

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 hereof; (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 debts 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, ~~after applicable notice and grace periods.~~

7. In case of default therein, 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 Mortgagors on account of any default hereunder on the part of the Mortgagors.

8. 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 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, ~~after applicable notice and grace periods,~~

9. 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, ~~reasonable~~

10. 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.

11. 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 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. Mortgagors hereby reserves the right of redemption from and after any foreclosure proceedings.

12. 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.

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

~~14. The Mortgagors shall periodically deposit with the Mortgagee such sum as the Mortgagee may require to cover the payment of taxes and assessments on the premises. No such deposit shall bear any interest.~~

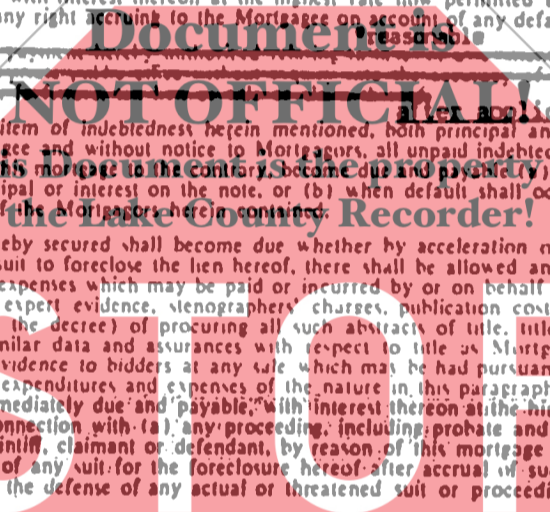
15. If the payment of said indebtedness or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said premises, shall be held to assent to such extension variation or release, and their liability and the lien and all provisions hereof shall continue in full force, ~~as if no such extension variation or release had been made.~~

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

17. 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 is a wrap-around mortgage and includes the balances due under prior mortgage(s), and is subject to the following prior mortgage(s):

a) Note and Mortgage dated July 7, 1987 made by Lake County Trust Company to mortgagee in the principal sum of \$150,000.

b) Note and Mortgage dated July 7, 1987 made by Liberty Realty Co. to mortgagee in the principal sum of \$100,000.

c) Note and Mortgage dated July 7, 1987 made by Liberty Realty Co. to mortgagee in the principal sum of \$50,000.

and to all extensions, replacements, and refinancings thereof, increases thereto, consolidations therewith made in accordance with the terms of this mortgage and all new and additional prior mortgages placed on the premises in compliance with the terms of this mortgage (herein collectively defined as the "prior mortgages").

20. By acceptance of this mortgage, the mortgagee agrees that provided the mortgagor is not in default hereunder, the mortgagee shall make all regular installment payments of principal and interest, and all deposits, if any, for real estate taxes, water rates, sewer charges and insurance premiums payable under the prior mortgages, within the time periods provided for thereunder, including grace periods. If the mortgagee fails to make any such payments within five (5) business days after written notice by the mortgagor to the mortgagee, then the mortgagor may pay the sums due to the holder of the prior mortgages and then deduct the amount so paid from the next regular installment payment due hereunder. In no event, however, shall the obligations of the mortgagee extend beyond the equity of the mortgagee in this mortgage. Notwithstanding the foregoing or anything to the contrary contained elsewhere in this mortgage, the mortgagee does not assume any of the obligations of the mortgagor under any prior mortgage. The conditions hereunder obligating the mortgagee to make payments due under the prior mortgages are for the sole benefit of the mortgagor and its successors and assigns as owners of the premises. Such conditions shall not inure to the benefit of any other third person or party including, without limitation, the holder of any prior mortgage. Provided mortgagor or any owner of the premises is not in default in the performance of the terms of this mortgage, and if mortgagee fails to make payments required to be made under the prior mortgages including any balloon payments that may be due thereunder, mortgagee will indemnify and save harmless the mortgagor from any damage sustained by reason of such failure to the extent of the mortgagee's interest in this mortgage, and mortgagor may deduct from the payment or payments next becoming due the actual damage sustained by reason of such non-payment. If such damage exceeds or is equal to mortgagee's equity in this mortgage, mortgagor shall be entitled to the immediate satisfaction or assignment thereof at its option.

21. No personal liability shall be asserted or enforceable against mortgagor because of 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.

