

91025049

MORTGAGE

THIS INSTRUMENT ("Mortgage") WITNESSES: That Lake County Trust Company, not personally but solely as Trustee under Trust Agreement dated January 15, 1990 and known as Trust No: 4031

("Mortgagor"), in consideration of One Dollar (\$1.00) and other good and valuable consideration; the receipt of which is hereby acknowledged; hereby MORTGAGES and WARRANTS to Classic Syndicate, Inc., an Illinois corporation

("Mortgagee"), the real estate ("Real Estate") and property located in Lake County, State of Indiana; more particularly described as follows:

LOT 74 IN SOMERSET, IN THE TOWN OF MUNSTER, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 68 PAGE 12, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

ROBERT (BOB) FREELAND  
RECORDER

MAY 24 9 04 AM '91

STATE OF INDIANA/S.S.IND.  
LAKE COUNTY  
FILED FOR RECORD

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together with all rights, title and interests of Mortgagor in and to: (i) All rights, privileges, interests, tenements, hereditaments, easements and appurtenances in any way now or hereafter pertaining to the Real Estate ("Easements"); (ii) All buildings and other improvements of every kind and description now or hereafter placed on the Real Estate, together with all fixtures, machinery and other articles of personal property now or hereafter attached to or regularly used in connection with the Real Estate, and all replacements thereof ("Improvements"); (iii) All extensions, improvements, betterments, substitutes, replacements, renewals, additions and appurtenances of or to the Easements or Improvements ("Additions"); (iv) All rents, issues, proceeds, income and profits of the Real Estate, Easements, Improvements and Additions, including all payments made in connection with leases, subleases and other agreements affecting the Real Estate, Easements, Improvements or Additions ("Rents"); and (v) All awards, payments or proceeds of conversion, whether voluntary or involuntary, of any of the foregoing, including, without limitation, all insurance, condemnation and tort claims ("Proceeds"). Hereinafter, the Real Estate, Easements, Improvements, Additions, Rents, and Proceeds are referred to together as the "Mortgaged Property".

This Mortgage is given to secure performance by Mortgagor of the covenants and agreements contained in this Mortgage and to secure payment of: (i) the principal of and interest on the indebtedness evidenced by a certain promissory note ("Note"), dated April 30, 1991, executed and delivered by

CLASSIC HOMES

(hereinafter referred to jointly and severally as "Borrower") to Mortgagee in the principal sum of FIVE HUNDRED THOUSAND and NO/100

Dollars (\$500,000.00), with the final payment due on December 31, 2000 and with interest computed on the unpaid balance from time to time at the rate(s) set forth therein, and any other amounts payable to Mortgagee pursuant to the terms and provisions of the Note ("Primary Debt"); (ii) all sums advanced and costs and expenses incurred by Mortgagee which are made or incurred pursuant to, or allowed by, the terms of this Mortgage, plus interest thereon at the rate of TWELVE percent (12 %) per annum ("Default Rate") from the date paid or incurred until reimbursement ("Advancements"); (iii) all costs of repossession, collection, disposition and reasonable attorneys' fees incurred by Mortgagee ("Costs"); (iv) all other indebtedness, obligations and liabilities of Borrower (and each of them, if more than one) to Mortgagee, now existing or hereafter arising, whether fixed or contingent, direct or indirect, primary or secondary, joint or several, and regardless of how created or evidenced ("Additional Liabilities"); and (v) any and all extensions or renewals of any of the foregoing indebtedness ("Extensions"). (Hereinafter, the Primary Debt, Advancements, Costs, Additional Liabilities and Extensions are referred together as the "Indebtedness.")

Mortgagor hereby further covenants with the Mortgagee as follows:

1. Payment of Sums Due. If Mortgagor is the Borrower (or one of them, if more than one), Mortgagor covenants and agrees to promptly pay the principal of and interest on the Primary Debt and the other Indebtedness, as and when the payment(s) thereof become due, all without relief from valuation and appraisal laws and with attorneys' fees.

1400

2. **Care and Condition of Mortgaged Property.** Mortgagor shall (a) promptly repair, restore or rebuild the Mortgaged Property, or any portion thereof, which is damaged or destroyed; (b) keep the Mortgaged Property in good condition and repair, without waste, and free from encroachments and from mechanic's or materialman's lien or claims for lien not expressly subordinated to this Mortgage; (c) pay when due any indebtedness which may be secured by a lien or charge on the Mortgaged Property, whether or not superior to the lien of this mortgage; (d) comply with all requirements of law and covenants and restrictions of record applicable to the Mortgaged Property or its use; (e) permit no change in or alteration of the design, structural character or general nature of the Real Estate and the Improvements without Mortgagee's prior written consent (which consent shall not be withheld unreasonably); and (f) permit Mortgagee to enter upon and inspect the Mortgaged Property at all reasonable times.

3. **Warranties.** Mortgagor covenants and warrants that: (a) Mortgagor is lawfully seized of the Real Estate in fee simple, has valid and indefeasible title to the Mortgaged Property and has a good and legal right to convey and mortgage the Mortgaged Property; and (b) the Mortgaged Property is and will remain free from all liens and encumbrances except only mortgages and liens in favor of Mortgagee and any mortgage lien specifically identified in paragraph 17 of this Mortgage (a "Prior Mortgage Lien"), and Mortgagor will warrant and defend title to the Mortgaged Property against all claims made thereon.

4. **Insurance.** Mortgagor will keep the Mortgaged Property insured against loss by fire, extended casualty, vandalism, malicious mischief and such other hazards as reasonably may be required from time to time by Mortgagee for the benefit and protection of Mortgagee, including comprehensive and contractual liability insurance (together, the "Required Insurance"). The Required Insurance shall be written in forms, amounts, and by companies reasonably satisfactory to Mortgagee, and losses thereunder shall be payable to Mortgagee pursuant to standard noncontributing mortgage endorsements in favor of Mortgagee. Unless otherwise agreed by Mortgagee, all policies of Required Insurance, including additional and renewal policies, shall be deposited with and held by Mortgagee. Any monies received as payment for any loss under any of the Required Insurance paid over to Mortgagee may be applied, at the option of Mortgagee, either to the prepayment of any portion, as Mortgagee may select, of the Indebtedness, without premium, or to the reimbursement of Mortgagor for expenses incurred by Mortgagor in the restoration or repair of the Mortgaged Property. Proceeds paid or payable to Mortgagor of the Required Insurance shall be applied to restoration of the Mortgaged Property in such fashion as Mortgagee reasonably may require.

5. **Taxes.** Mortgagor will pay and discharge or cause to be paid and discharged when due, and before any penalty attaches, all taxes (including real and personal property taxes), general and special assessments, water and sewer rents or assessments, and all other governmental and municipal charges and impositions of any kind imposed upon or assessed against Mortgagor or the Mortgaged Property, or any part thereof, or arising in respect of the occupancy, use or possession thereof.

6. **Protection of Security by Mortgagee.** Mortgagee may, at Mortgagee's option, but without any duty or obligation of any sort to do so and without in any way waiving or relieving any default by Mortgagor, make any payment and perform any act required of Mortgagor by this Mortgage, including but not limited to, payment of insurance premiums, taxes, assessments, repair expenses and prior liens and encumbrances. All expenses so incurred, including reasonable attorneys' fees, and any other reasonable expenses incurred by Mortgagee to protect the Mortgaged Property shall constitute Advancements and shall be immediately due and payable by Mortgagor, \*but only after first giving Mortgagor thirty (30) days prior written notice of Mortgagee's intention to do so.

7. **Transfer of Mortgaged Property.** Mortgagor shall not, without the prior written consent of Mortgagee (which consent may be withheld without reasonable cause); lease, transfer, sell, contract to sell or in any way further encumber all or any part of the Mortgaged Property. Provided, however, no such consent by Mortgagee shall be required for any contract to sell pursuant to which the In-

8. **Condemnation.** If all or any part of the Mortgaged Property, is taken or damaged pursuant to an exercise, or threat of exercise, of the power of eminent domain, the entire proceeds of the award or compensation payable in respect of the part so taken or damaged are hereby assigned to and shall be paid directly to Mortgagee. The proceeds of any award or compensation actually received by Mortgagee after deduction therefrom of all costs and expenses including reasonable attorneys' fees incurred by Mortgagee in connection with the taking, at Mortgagee's option, shall be applied, without premium, in part or entirely to payment of the Indebtedness or to restoration of the Mortgaged Property.

9. **Default and Acceleration.** Time is of the essence of this Mortgage. Upon the occurrence of any "Event of Default" (as hereinafter defined), and at any time thereafter, then, in any and every such case, the entire Indebtedness shall, at the option of Mortgagee, become immediately due and payable without any notice, presentment, demand, protest, notice of protest, or other notice of dishonor or demand of any kind, all of which are hereby expressly waived by Mortgagor, and Mortgagee shall have the right immediately to foreclose the mortgage lien created by this Mortgage against the Mortgaged Property, to enforce every other security interest created by this Mortgage and to institute any action, suit or other proceeding which Mortgagee may deem necessary or proper for the protection of its interests. The following shall each constitute an "Event of Default" for purposes of this Mortgage:

(a) Default: (i) in the payment when due of any of the Indebtedness, or (ii) in the performance any covenant or term of this Mortgage;

(b) Lease, sublease, assignment, sale, contracting for sale, transfer or encumbrance of all or any part of the Mortgaged Property, without Mortgagee's prior written consent;

(c) If Mortgagor or Borrower (or any one of them, if more than one) becomes the subject of an order for relief under the United States Bankruptcy Code, takes any action to obtain relief under the United States Bankruptcy Code, files an answer admitting bankruptcy or insolvency or in any manner is adjudged bankrupt or insolvent;

(d) Any part of the Mortgaged Property or all or any substantial part of the property or assets of Borrower (or any one of them, if more than one) is placed in the hands of any receiver or trustee, or Borrower (or any one of them, if more than one) consents, agrees or acquiesces to the appointment of any such receiver or trustee;

(e) Institution of proceedings to enforce or foreclose any Prior Mortgage Lien or any other mortgage or lien upon all or any part of the Mortgaged Property;

(f) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. **Foreclosure and Application of Proceeds.** All expenses which may be paid or incurred by or on behalf of Mortgagee in connection with the foreclosure of this Mortgage for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and cost of procuring all title searches, policies and examinations and similar data and assurances with respect to title as Mortgagee reasonably may deem necessary to prosecute such suit shall constitute Advancements, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate, and shall be allowed and included as Indebtedness in the judgment for sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order or priority: First, on account of all Advancements incident to the foreclosure proceedings and all Costs; second, all other items which under the terms of this Mortgage constitute Indebtedness additional to the Primary Debt; third, all principal, interest and other amounts remaining unpaid on the Primary Debt; and fourth, any remainder to the person or persons entitled thereto as determined by the court in the foreclosure proceedings.

11. **Foreclosure Proceedings and Receiver.** Upon the commencement of any proceedings to foreclose this Mortgage, Mortgagee shall be entitled forthwith to the appointment of a receiver or receivers, as a matter of right, without the giving of notice to any other party, without regard to the adequacy or inadequacy of any security for the Indebtedness and without the requirement of any bond. Mortgagee shall be entitled to recover judgment either before or after or during the pendency of any proceedings for the enforcement of this Mortgage. The right of Mortgagee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of this Mortgage or the foreclosure of the lien of this Mortgage.

12. **No Exclusive Remedy.** Each and every right, power and remedy conferred upon or reserved to Mortgagee in this Mortgage is cumulative and shall be in addition to every other right, power and remedy given in this Mortgage or now or hereafter existing at law or in equity. No delay or omission of Mortgagee in the exercise of any right, power or remedy shall be construed to be a waiver of any Event of Default or any acquiescence therein.

13. **Provisions Severable.** In the event any one or more of the provisions of this Mortgage for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in this Mortgage.

14. **Notices.** All notices pursuant to this Mortgage shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified United States mail, addressed to Mortgagor at the following address:  
See R-3 on attached Mortgage Rider

and to Mortgagee at the following address:

See R-3 on attached Mortgage Rider

or at such other place as either party may, by notice in writing, designate as a place for service of notice.

15. **Successors and Assigns.** This Mortgage shall (a) run with the land, (b) apply and extend to, be binding upon and inure to the benefit of Mortgagor, Mortgagor's heirs, administrators, successors and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" shall include all such persons, and (c) shall apply and extend to, be binding upon and inure to the benefit of Mortgagee and Mortgagee's successors and assigns. The word "Mortgagee" shall include the successors and assigns of Mortgagee, and the holder or holders, from time to time, of the Note and any other Indebtedness instruments.

16. **Miscellaneous.** The captions in this Mortgage are for convenience only and do not define or limit the provisions of this Mortgage. All changes to this Mortgage must be in writing signed by Mortgagee and, if this Mortgage is to be recorded, shall not be effective until recorded. Wherever used, the singular number shall include the plural, the plural the singular; and the use of any gender shall be applicable to all genders.

17. **Identification of Prior Mortgage Lien/Additional Provisions.**

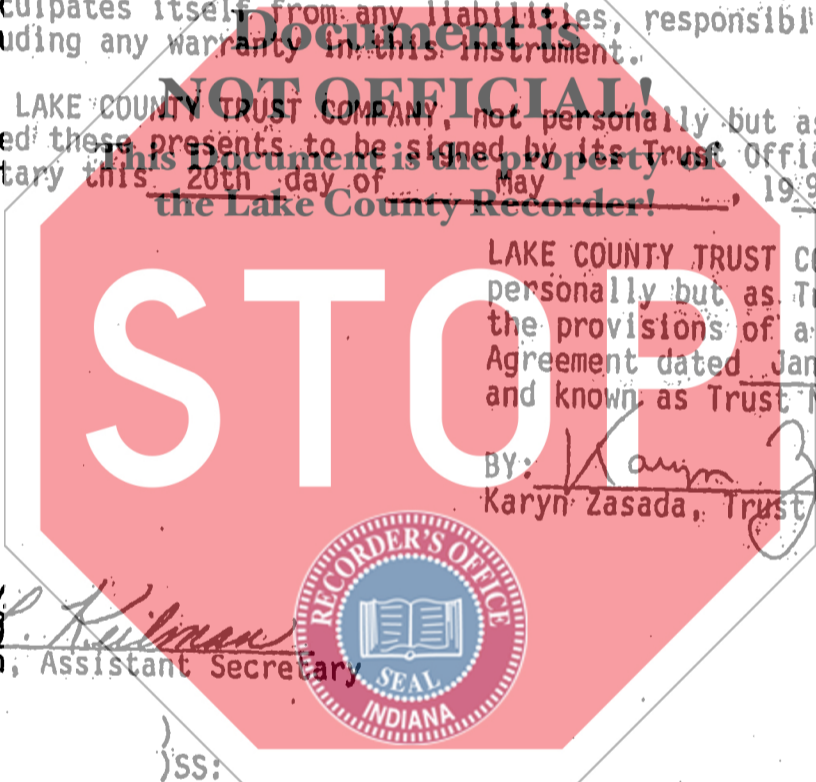
Provisions R-1 through R-4, inclusive, on the attached Mortgage Rider are hereby incorporated and made a part of this Mortgage.



This Mortgage is executed by the LAKE COUNTY TRUST COMPANY, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Lake County Trust Company, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said principal note contained shall be construed as creating any liability on said Lake County Trust Company personally to pay the said principal note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said Lake County Trust Company personally is concerned, the legal holder or holders of said principal notes and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby mortgaged for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said principal notes provided or by action to enforce the personal liability of the guarantor, if any.

Nothing contained herein shall be construed as creating any liability on LAKE COUNTY TRUST COMPANY, personally under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act, (CERCLA) or the Indiana Responsible Property Transfer Law (the Act) as amended from time to time or any other Federal, State or local law, rule or regulation. LAKE COUNTY TRUST COMPANY, personally is not a "Transferor" under the Act and makes no representations concerning any possible environmental defects. In making any warranty herein the Trustee is relying solely on information furnished to it by the beneficiaries and not of its own knowledge and specifically exculpates itself from any liabilities, responsibilities or damages as a result of including any warranty in this instrument.

IN WITNESS WHEREOF, LAKE COUNTY TRUST COMPANY, not personally but as Trustee as aforesaid, has caused these presents to be signed by its Trust Officer and attested by its Assistant Secretary this 20th day of May, 1991.



LAKE COUNTY TRUST COMPANY, not personally but as Trustee under the provisions of a Trust Agreement dated January 15, 1990 and known as Trust No. 4031.

BY: Karyn Zasada  
Karyn Zasada, Trust Officer

ATTEST:

BY: Charlotte L. Keilman  
Charlotte L. Keilman, Assistant Secretary

STATE OF INDIANA

COUNTY OF LAKE

}SS:  
}

Before me, the undersigned, a Notary Public in and for said County and State personally appeared the within named Trust Officer and Assistant Secretary of the Lake County Trust Company, who acknowledge the execution of the foregoing instrument as the free and voluntary act of said corporation, and as their free and voluntary act acting for such corporation, as Trustee.

Witness my hand and seal this 20th day of May, 1991.

Angela Newcomb  
Angela Newcomb Notary Public

Resident: Lake County, Indiana

My Commission Expires:

April 2, 1994

**MORTGAGE RIDER**

This Mortgage Rider is attached to and made a part of that certain Mortgage ("Mortgage") dated \_\_\_\_\_, 19\_\_ between Lake County Trust Company, not personally but solely as Trustee under Trust Agreement dated January 15, 1990 and known as Trust Number 4031 ("Mortgagor"), and Classic Syndicate, Inc., an Illinois corporation ("Mortgagee"). If any conflict shall be deemed to exist between the terms set forth in the main body of the Mortgage and of this Mortgage Rider, the terms set forth in this Mortgage Rider shall supersede, govern, and control. All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Mortgage.


**R-1. Prepayment.** The Indebtedness secured by this Mortgage may be prepaid, in whole or in part, at any time without premium or penalty.

**R-2. Mortgagor's Right To Cure.** Notwithstanding anything to the contrary contained in the main body of the Mortgage, if at any time there is an Event of Default, Mortgagee shall not exercise any right to accelerate the Indebtedness, foreclose the mortgage lien created by this Mortgage against the Mortgaged Property, or institute any action, suit or other proceeding, until: (i) Mortgagee has given written notice to Mortgagor of such Event of Default; and (ii) the Mortgagor, following the giving of such notice by Mortgagee, has failed to cure or remedy such Event of Default in accordance with the following:

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- (a) Any monetary Event of Default must be fully cured or remedied within ten (10) days following Mortgagee's written notice; and
  - (b) Any non-monetary Event of Default must be fully cured or remedied within thirty (30) days following Mortgagee's written notice; provided, however, that if any such Event of Default cannot reasonably be fully cured or remedied within such thirty (30) day period, then such period shall be appropriately extended so long as within the first thirty (30) days thereof Mortgagor commences to cure or remedy such default and thereafter proceeds diligently and in good faith until such default has been fully cured or remedied.

**R-3. Notice.** All written notices delivered or sent shall be addressed as follows:

**If to Mortgagor:**

  
Bruno A. Pasquinelli  
Anthony R. Pasquinelli  
Encore Development, Inc.  
P.O. Box 1639  
Homewood, Illinois 60430

**with a copy to:**

Harvey S. Lichterman  
Lord, Bissell & Brook  
115 South LaSalle Street  
34th Floor  
Chicago, Illinois 60603

**and**

Beresford Properties (Midwest), Inc.  
200 West Madison, Suite 1900  
Chicago, Illinois 60606  
Attn: James H. Ryan

**If to Mortgagee:**

Classic Syndicate, Inc.  
200 West Madison, Suite 1900  
Chicago, Illinois 60606

**with a copy to:**

Katten Muchin & Zavis  
525 West Monroe Street  
Suite #1600  
Chicago, Illinois 60606-3693  
Attn: Michael P. Goldman, Esq.

Any notice given in accordance with the foregoing shall be deemed given when delivered personally or, if mailed, three (3) days after it shall have been deposited in the United States mails as aforesaid.

R-4. **Exculpation.** This Mortgage is executed by the Mortgagor, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. It is further understood and agreed that the Trustee merely holds title to the real estate herein described and has no agents, employees or control over the management of the real estate and no knowledge of other factual matters except as represented to it by the beneficiary(ies) of the Trust. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument, all such liability being expressly waived by every person now or hereafter claiming any right or security hereunder, and the owner of any Indebtedness or cause of action for breach of any warranty, indemnity, representation, covenant, undertaking or agreement accruing hereunder shall look solely to the Mortgaged Property for the payment thereof. \*For Environmental Exculpation, See Below.

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

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the Lake County Recorder!

ATTEST:

BY: Charlotte L. Keilman  
Charlotte L. Keilman, Assistant Secretary

By: Karyn M. Zasada  
Title: Karyn M. Zasada, Trust Officer

**\*Environmental Exculpation**

Nothing contained herein shall be construed as creating any liability on LAKE COUNTY TRUST COMPANY, personally under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or the Indiana Responsible Property Transfer Law (the Act) as amended from time to time or any other Federal, State or local law, rule or regulation. LAKE COUNTY TRUST COMPANY, personally is not a "Transferor" under the Act and makes no representation concerning any possible environmental defects. In making any warranty herein the Trustee is relying solely on information furnished to it by the beneficiaries and not of its own knowledge and specifically exculpates itself from any liabilities, responsibilities or damages as a result of including any warranty in this instrument.