

U S G 464744 LD

RETURN TO: Terrence J. Farrell  
Mortgage Loan Department  
Calumet National Bank  
1806 Robin Hood Boulevard  
Scherverville, Indiana 46375

93018962

**LEASEHOLD MORTGAGE**

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RECORDED  
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Chicago Title Insurance Company

THIS INDENTURE made this 26th day of February, 1993, WITNESSETH:  
That 7891 PARTNERSHIP, an Indiana partnership, of the Town of Merrillville, County of Lake, and State of Indiana ("Mortgagor"), MORTGAGES, WARRANTS, CONVEYS, TRANSFERS AND ASSIGNS to the CALUMET NATIONAL BANK, a corporation duly organized and existing by virtue of the laws of the United States of America, and its successors and assigns, doing business hereunder at 1806 Robin Hood Boulevard, in the Town of Scherverville, State of Indiana ("Mortgagee"), Mortgagor's leasehold interest in the following described real estate situate in the Town of Merrillville, County of Lake, State of Indiana, to-wit:

This Document is the property of  
the Lake County Recorder  
Lot 1 in Methodist Medical Subdivision, addition to the Town of Merrillville, as per plat thereof, recorded in Plat Book 57 page 44, in the Office of the Recorder of Lake County, Indiana.

together with all buildings, improvements, appurtenances, privileges, rights and fixtures therein, thereon or thereto belonging (hereinafter called the "Real Estate"), which leasehold interest is evidenced by that certain unrecorded Ground Lease between the Mortgagor as Tenant and the Methodist Hospital of Gary, Inc. as Landlord, dated the 23rd day of July, 1984, and the recorded Memorandum of said Ground Lease, dated the 23rd day of July, 1984, and recorded the 27th day of November, 1984, as Document No. 781689, in the office of the Recorder of Lake County, Indiana; and also together with the rents and profits of the Real Estate, which said rents and profits are now and hereby assigned to Mortgagee as of the date of any default in the performance of Mortgagor's herein obligations, in accordance with that certain Agreement for Conditional Assignment of Rentals, of even date herewith.

IN CONSIDERATION FOR AND TO SECURE THE PAYMENT OF THE PRINCIPAL SUM OF Eight Hundred Fifty Thousand Dollars (\$850,000.00) evidenced by that certain Mortgage Note of even date herewith in said principal amount, payable with interest and in such manner as set forth therein, and all future advances and additional amounts, all of said principal and interest payments being payable in legal tender of the United States of America, at such place in the United States of America as the legal holder thereof may from time to time direct, and all principal and interest payments being with attorneys' fees and without relief from valuation and appraisal laws of Indiana, and bearing interest after maturity until paid at the highest rate for which it is now lawful to contract in Indiana, which Mortgage Note shall mature and be due and payable in full on or before the 15th day of March, 2009.

AND LIKEWISE IN CONSIDERATION FOR AND TO SECURE THE PERFORMANCE by Mortgagor of all of Mortgagor's covenants, agreements, promises, payments and conditions hereinbefore or hereinafter set out, those set out in that certain Commitment, dated February 24th, 1993, as well as those set out in that certain Loan Agreement, Agreement For Conditional Assignment of Ground Lease and of Rentals Under Ground Lease and for Subordination of Leasehold Interests, and Continuing

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Personal Guaranties, all of even date herewith, and the construction plans and specifications and all other documents and instruments relating to the loan from Mortgagee to Mortgagor, whether or not executed by either party hereto, and any document or instrument referred to in the foregoing (which, together with said Commitment, Mortgage Note and this Mortgage are hereinafter collectively called the "Loan Documents"), Mortgagor covenants with Mortgagee and warrants and represents as follows:

1. **TITLE TO AND CONDITION AND USE OF THE REAL ESTATE.** That Mortgagor owns the Real Estate free and clear of all liens, encumbrances and claims except those benefiting the Landlord as set forth in the said Ground Lease; that this instrument is a valid and subsisting first mortgage and lien thereon; to deliver contemporaneously herewith to Mortgagee a satisfactory title insurance policy as required by the Loan Documents, to be held by Mortgagee until this Mortgage is fully satisfied; that upon default by Mortgagor in any of its obligations hereunder, or under the Loan Documents, to procure at its own expense a continuation of said title insurance policy to the date of default, made by a title insurance company designated by Mortgagee, and deliver same to Mortgagee; upon any foreclosure hereof, Mortgagor to procure and furnish a like continuation of title insurance policy to and including the expiration of the time for redemption, if any, of the Real Estate from this sale had under such foreclosure; to execute and deliver all further instruments necessary or deemed so by Mortgagee to effectuate the first mortgage security hereby intended to be given; to pay all indebtedness hereby secured as the same becomes due to perform all covenants, agreements and obligations under the Loan Documents and said Ground Lease, to keep the Real Estate and the buildings and improvements now or hereafter erected thereon in good repair and not to suffer or permit waste thereon; to pay all taxes, impositions and assessments levied against the Real Estate and premises and to make all such payments when due, and to file receipts therefor with Mortgagee within ten (10) calendar days thereafter; to suffer or permit no liens of mechanic's or materialmen to attach to the Real Estate; to remove or demolish no improvements or fixtures that are now or hereafter on the Real Estate; to pay, when the same become due, all encumbrances and liens upon the Real Estate; to permit nothing unlawful to be done upon the Real Estate or any thing that might impair the value of the security intended to be effected by this instrument; to comply with all laws, ordinances and rulings of any governmental agency in which the Real Estate is located relating to the Real Estate; to keep the premises herein described constantly insured for their full insurable value against loss or damage by fire, lightning, tornado, windstorm, cyclone and plate glass, damage and otherwise in such manner as deemed necessary by Mortgagee under the Loan Documents and as required by the Ground Lease, to likewise procure any and all other kinds of insurance, all such forms of insurance to be in such insurance companies as Mortgagee may approve, with a mortgage clause in said insurance policies in favor of Mortgagee for the full amount of all indebtedness now due or hereinafter due hereunder, and immediately to deliver such policies to Mortgagee, to be held by it until the obligations hereby secured are fully performed and not less than thirty (30) days before the expiration of any of such policies, renewals thereof shall be procured and forwarded to Mortgagee, and in the event of any sums becoming due under any of said policies the same may be collected by Mortgagee as the Insurance Trustee under Section 9.02 of the Ground Lease and at its option applied either upon principal or interest due or to become due under this Mortgage and the obligations secured hereby or may be released to the Mortgagor upon his having repaired and replaced all damages covered by such insurance and in the event any sums are so released to the Mortgagor no part thereof shall be treated as a payment upon any obligations secured by this Mortgage; provided, however, that Mortgagor does hereby assign to Mortgagee the Tenant's right under Article 22 of the Ground Lease to appoint a substitute or successor Insurance Trustee, and provided further that Mortgagee shall have the right to adjust any and all claims to insurance coverage and proceeds, whether or not Mortgagee is acting in the capacity of Insurance Trustee; that all obligations of the Mortgage hereunder and under the Loan Documents and the Ground Lease, shall

continue in full force and effect until all of the herein described obligations are fully performed and paid; that the Mortgagee may at any time, by written agreement therefor with Mortgagor and without notice to any person, extend the time for the performance of Mortgagor's obligations hereunder or any part thereof, without thereby impairing, affecting, postponing or subordinating the lien of this Mortgage or releasing any person from liability hereunder; that upon suit being brought to foreclose any lien upon the Real Estate, this Mortgage may be foreclosed for the entire principal sum, interest, expenses, obligations and attorneys' fees hereby secured.

**2. FUTURE ADVANCES AND ADDITIONAL AMOUNTS; MODIFICATIONS, EXTENSIONS AND RENEWALS.** It is agreed and intended by the parties that the Mortgagee may make future advances to one or more of the Mortgagors, in an amount or amounts exceeding that of the obligation initially secured by this Mortgage or which may otherwise become due as a result of such initial obligation. If such future advances or additional amounts are made, this Mortgage shall secure the payment of any and all such future advances and of any such additional amounts, whether or not said future advances or additional amounts are in any way related to, are of the same class as, or are made for a similar or related purpose as, the obligation initially secured hereby; and further, whether or not there is any additional or other security given for such future advances or for such additional amounts; and further, whether or not all, or only one or some, of the undersigned Mortgagors are personally or principally obligated for the payment of such future advances or additional amounts, whether jointly or severally, and whether or not a third person or entity not a party hereto is also personally or principally obligated thereon, whether jointly or severally; and further, regardless of whether or not the Real Estate is owned by the Mortgagors as husband and wife as tenants by the entireties and such future advances or additional amounts are the personal or principal obligation of only one of them; and further, whether or not the initial obligation secured hereby has been paid in whole or in part; and further, whether or not the Mortgagee shall have assigned or otherwise transferred its interest in the Real Estate to an assignee or a successor in interest, and whether or not such future advances or additional amounts are made to Mortgagors by the Mortgagee or its assigns or its successors in interest; and further, whether or not there are any, or were any oral representations or other provisions of this Mortgage or any other document executed and/or delivered in conjunction with or related to the initial obligation secured hereby which are or may be construed to be in conflict with or in derogation of this paragraph in any manner whatsoever. Provided further, that such future advances or additional amounts are equally secured and to the same extent as the initial obligation secured hereby. The Mortgagee, its assigns and successors, at its option may accept a renewal note, or notices at any time for any portion of the initial obligation secured hereby, or for any portion of any such future advances or additional amounts secured hereby, and may extend the time for payment of any or all of said obligations without affecting the security of this Mortgage in any manner whatsoever. Furthermore, it is the intent of the parties that this Mortgage shall secure all future obligations and advances up to the amount of the Mortgage Note referred to above (whether made as an obligation, made at the option of Mortgagee, or made after a reduction of said amount to zero by the Mortgagor, or to any other balance, or made otherwise) to the same extent as if the future obligations and advances were made on the date of execution of this Mortgage; and further, it is the intent of the parties that this Mortgage shall be and remain as security for all future modifications, extensions and renewals of any indebtedness or obligation now secured by this Mortgage, in all respects, it being the intent of the parties that Mortgagee shall have the full and complete benefit of the terms and provisions of Indiana Code 32-8-11-9, as may be hereafter amended.

**3. FORECLOSURE RIGHTS AND DEFAULT.** That in the event of foreclosure of this Mortgage a reasonable sum shall be allowed for the attorneys' fees of Mortgagee, and also reasonable charges for all outlays incident to such foreclosure shall be allowed, and all such attorneys' fees and incidental charges shall be and become so much

additional indebtedness hereby secured; that in the event of failure of the Mortgagor to keep, perform and pay each and every one of its covenants, agreements, payments and obligations hereinabove specified, and as set forth in the Loan Documents and the Ground Lease, the Mortgagee may, but is not required to do so, perform and keep said obligations, and any such money advanced by Mortgagee therefor, together with interest thereon from the date of any such payment until paid at the highest rate for which it is now lawful to contract in Indiana, shall forthwith be due and payable by Mortgagor to Mortgagee, without demand therefor, without relief from valuation and appraisal laws, and with attorneys' fees; and any amount so advanced, together with such interest, shall be and become so much additional indebtedness secured hereby, and in the making of such payment or advance for Mortgagor, it shall not be obligatory upon Mortgagee to inquire into the validity or propriety of any obligation so paid by Mortgagee; that upon any Event of Default in payment or performance of the covenants, agreements, payments and obligations of Mortgagor as hereinbefore set out, or as set out in the Loan Documents and the Ground Lease, then the whole amount of the principal sum hereby secured, together with all interest to date and all sums that may have been advanced, as herein provided, by Mortgagee for Mortgagor, shall, at the option of the Mortgagee and without notice, become immediately due and payable, and upon any such default the Mortgagee shall have the right immediately to foreclose this Mortgage. The omission of Mortgagee to exercise said option upon any default as aforesaid, shall not preclude it from exercise thereof upon any subsequent default. That the making of any payment by Mortgagee hereunder or under the Loan Documents or the Ground Lease for any of the purposes permitted, shall in no event be construed as a waiver of the right to avail itself of any breach of covenant committed, but foreclosure of this Mortgage may, at the option of the Mortgagee, be had for said default as if no such payment or advancement had been made; that Mortgagor will at all times indemnify and forthwith, on demand, reimburse Mortgagee from and for any loss, damage, expense or cost, including attorneys and expert witness fees, arising out of or incurred in connection with any suit or proceeding to which Mortgagee may be made a party by reason of this instrument, and in default of such reimbursement, the amount of such loss, damage, expense or cost, together with interest thereon at the highest rate for which it is now lawful to contract in Indiana, shall immediately become so much additional indebtedness secured by this Mortgage and payable immediately; that all rights and remedies hereby secured to Mortgagee are cumulative and not in any way in derogation of the rights of Mortgagee under the laws of Indiana; that all rights and remedies of the Leasehold Mortgagee which are allowed and permitted by Article 20 or any other provision of said Ground Lease are hereby agreed to be the rights and remedies of the Mortgagee hereunder the same as if each of same were agreed to and set forth specifically herein, and all of same are hereby incorporated herein by reference and made a part hereof; that the covenants, agreements and promises of the Mortgagor herein shall run with the land as a condition upon which the loan hereby secured was made, are of the essence of this instrument and any breach thereof shall be deemed a material breach going to the substance hereof, and Mortgagor expressly waives its right to relief at law or in equity from any forfeiture herein provided; the Mortgagor agrees that in the event of the passage, after the date of this Mortgage, of any law of the State of Indiana, deducting from the value of land for the purpose of taxation, any lien or encumbrance thereon or changing in any way the laws now in force for the taxation of Mortgagee, deeds of trust or debts secured thereby, for state or local purposes, or the manner of the collection of any such taxes, so as to affect the interest of Mortgagee or the holder of the herein described Mortgage Note, the whole of the principal sum secured by this Mortgage, together with the interest due thereon shall, at the option of the Mortgagee, without notice to any party, become immediately due and payable.

4. **APPOINTMENT OF RECEIVER.** In any foreclosure proceedings the court shall, at once and without notice to the Mortgagor, and without requiring a bond of plaintiff, and without reference to the then value of the Real Estate, or its use as a homestead, or to the solvency or insolvency of any person or persons liable for any of the

herein obligations, appoint a receiver for the benefit of Mortgagee, and said receiver to have all powers usually incident to receivers appointed during the pendency of mortgage foreclosures and during the period for redemption, if any, from judicial sale, it being expressly understood and agreed that the above provision for the appointment of a receiver is an express and material condition upon which the loan hereby secured was made.

**5. TAXES AND INSURANCE ESCROW.** Mortgagor further covenants to deposit with the Mortgagee, upon the request of Mortgagee, together with and in addition to, the monthly payments under the terms of the Mortgage Note secured hereby until all sums secured by this Mortgage are fully paid, one-twelfth (1/12) of the amount (as estimated by the Mortgagee) which will be sufficient to pay taxes, special assessments and other charges on the Real Estate and insurance premiums that will become due and payable during the ensuing year. Mortgagee shall hold such monthly deposits in trust, without any allowance of interest, and shall use such fund for the payment of taxes, assessments, and other charges on the Real Estate and insurance premiums when the same are due and payable. If at any time the fund so held by Mortgagee is insufficient to pay any such tax, assessment, charge or insurance premium when the same shall become due and payable, Mortgagee shall advise Mortgagor of the deficiency and so often as that shall occur, Mortgagor shall, within ten (10) days after receipt of such notice, deposit with Mortgagee such additional funds as may be necessary to pay the tax, assessment, charge or insurance premium. Failure to make any deposit when due shall be a breach of this Mortgage. If at any time there be a default in any of the provisions of this Mortgage, Mortgagee may at its option apply any money in the tax, assessment, charge or insurance premium fund on any of the Mortgage obligations and in such order and manner as it may elect.

**6. CONDEMNATION.** To further secure said indebtedness, and in addition to the rights and obligations of the parties under the Loan Documents with respect hereto, Mortgagor hereby assigns to Mortgagee any award of damages made in connection with any condemnation for public use of or injury to said property or any part thereof and any award of damages arising from any cause of action for injury or damages to said property or any part thereof. Mortgagee is authorized and empowered (but not required) to collect and receive any such award and is authorized to apply it in whole or in part in reduction of the then outstanding debt secured by this Mortgage, notwithstanding the fact that the same may not then be due and payable. Any amounts so applied to principal shall be applied to the principal last maturing hereon. Mortgagor agrees to execute such further assignments of any such awards as Mortgagee may require.

**7. ASSIGNMENT FOR THE BENEFIT OF CREDITORS AND BANKRUPTCY.** If the Mortgagor shall make an assignment for the benefit of creditors, or if a receiver be appointed for the Mortgagor or any part of the mortgaged property, or if Mortgagor files a petition in bankruptcy, or is adjudicated a bankrupt or files any petition or institutes any proceedings under the bankruptcy laws of the United States, then, on the happening of any one or more of these events, the whole indebtedness secured hereby shall immediately become due and payable, at the option of the Mortgagee, and this Mortgage may thereupon be foreclosed for the whole of said principal, interest and costs.

**8. INSPECTION.** Mortgagee may make or cause to be made reasonable entries upon and inspections of the Real Estate, provided that Mortgagee shall give Mortgagor reasonable notice prior to any such inspection.

**9. SALE, TRANSFER OR ENCUMBERING OF REAL ESTATE; ASSUMPTION.** If all or any part of the Real Estate or any interest therein, of any nature, kind, character, description, duration or extent, is sold, granted, transferred or allowed to be liened or encumbered by Mortgagor, including a Contract for Conditional Sale, or Installment Sales Contract, or to a land trust controlled by Mortgagor, without Mortgagee's

prior written consent, excluding only the grant of a sublease leasehold interest of three years or less not containing an option to purchase, (but any such sublease shall be made specifically subordinate to this Mortgage) Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate if, and only if, prior to such sale, grant, transfer, lien or encumbrance, Mortgagor, Mortgagee and the person to whom the Real Estate or interest therein is to be sold, granted, transferred, liened or encumbered reach agreement in writing that the credit of such person is satisfactory to Mortgagor and that the interest payable on the sums secured by this Mortgage shall be at such rate as Mortgagor shall request, and that the terms of payment of the principal and interest due shall be on terms and contain the covenants, agreements and provisions as Mortgagee shall request, and that said lien or encumbrance is agreed to be subordinate to this Mortgage and the interest of Mortgagee in the Loan Documents.

If Mortgagee exercises such option to accelerate, it shall mail Mortgagor notice of acceleration in accordance with Paragraph 13 hereof. Such notice shall provide a period of not less than thirty (30) calendar days from the date the notice is mailed within which Mortgagor shall pay the sums declared due. If Mortgagor fails to pay such sums prior to the expiration of such period, Mortgagee may, without further notice or demand on Mortgagor, invoke any remedies permitted hereby or in the Loan Documents.

**10. RELEASE OF MORTGAGE.** That whenever the Mortgagor shall have fully paid the indebtedness thereby secured, with all the interest thereon, and up to that time, shall have well and truly performed all and singular the covenants and agreements herein and in the Loan Documents undertaken to be performed, then all of such covenants and agreements shall cease and determine (but not otherwise), and the Mortgagor shall be entitled to a satisfaction and release of this Mortgage, but shall pay the expense of recording the same.

**11. MISCELLANEOUS.** That the words Mortgagor and Mortgagee when used herein shall be taken to include singular and plural number, and masculine, feminine or neuter gender, as may fit the case, and shall also include the successors and assigns of the parties thereto; the forms of I, He, She and It, in any case or number and their compound forms with Self or Selves, shall, when used herein and in the Loan Documents or in the obligations secured hereby, if the context requires, be construed to be synonymous with each other, and that the forms of the verb "To be" in any tense or number shall, when the context requires, be construed as synonymous with each other.

**12. CONSTRUCTION AND APPLICABLE LAW.** That this Mortgage, the Mortgage Note secured hereby and the Loan Documents are made and executed under, and are, in all respects, to be construed by the laws of the State of Indiana, and that the various rights, powers, options, elections, appointments and remedies herein and therein contained shall be construed as cumulative, and no one of them as exclusive of any other or of any right or remedy allowed by law, and all shall inure to the benefit of the successors and assigns of the Mortgagee and of all holders of said Mortgage Note.

**13. NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Mortgagor at the Real Estate address or at such other address as Mortgagor may designate by notice to Mortgagee as provided herein; and (b) any notice to Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee's address stated herein or to such other address as Mortgagee may designate by notice to Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.

IN WITNESS WHEREOF, the Mortgagor has hereunto set its hand and seal on the date first above written:

**MORTGAGOR:**

7891 PARTNERSHIP, an Indiana partnership

By: *John T. Scully*  
John T. Scully, Partner

By: *Richard Buyer*  
Richard Buyer, Partner

By: *N. Obaid M.D.*  
Nazza Obaid, Partner

By: *John A. Merro, Jr.*  
John A. Merro, Jr., Partner

By: *Peter G. Mavrelis*  
Peter G. Mavrelis, Partner

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**LANDLORD'S CONSENT**

Without waiving or modifying any of its rights with respect to the Tenant that certain Ground Lease dated July 23, 1984, all of which rights are specifically reserved, The Methodist Hospital of Gary, Inc., as Landlord under said Ground Lease hereby consents to the execution of this Mortgage and that certain Agreement For Conditional Assignment of Ground Lease and of Rentals Under Ground Lease and for Subordination of Leasehold Interest between 7891 Partnership and Calumet National Bank, of even date herewith, affecting the leasehold interest mortgaged hereby, and further consents to any future modification, extension, renewal or alteration of this Mortgage and said Agreement For Conditional Assignment of Ground Lease and of Rentals Under Ground Lease and for Subordination of Leasehold Interests; provided, however, that any such future modification, extension, renewal or alteration shall not be in conflict with the provisions of said Ground Lease or impair the rights of the undersigned thereunder.

The undersigned hereby warrants and represents to Mortgagee that said Ground Lease is not in default in any manner, by act or omission of either Landlord or Tenant thereunder as of the date hereof.

THE METHODIST HOSPITALS, INC., f/k/a  
THE METHODIST HOSPITAL OF GARY,  
INC.

By: *John H. Betjemann*  
John H. Betjemann, President

ATTEST:  
By: *William B. Davis*  
Secretary

William B. Davis

STATE OF INDIANA }  
COUNTY OF LAKE } SS:

Before me, the undersigned, a notary public in and for said County and State, personally appeared JOHN T. SCULLY, RICHARD BUYER, NAZZAL OBAID, JOHN A. MIRRO, JR. and PETER G. MAVRELIS, and acknowledged the execution of the above and foregoing instrument on behalf of 7891 PARTNERSHIP as their free and voluntary act and deed on behalf of said partnership for the uses and purposes therein set forth.

Given under my hand and official seal this 26<sup>th</sup> day of February, 1993.

Sandra K. Shaw

Notary Public

Document is

Printed Name: SANDRA K. SHAW

**NOT OFFICIAL!**

County of Residence:

My Commission Expires:

9-15-93

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the Lake County Recorder!

PORTER

**STOP**





STATE OF INDIANA )  
 )SS:  
COUNTY OF LAKE )

Before me, the undersigned, a notary in and for said County and State, personally appeared John H. Betjemann and William B. Davis, the president and secretary, respectively, of THE METHODIST HOSPITALS, INC., f/k/a THE METHODIST HOSPITAL OF GARY, INC., and acknowledged the execution of the above and foregoing instrument on behalf of The Methodist Hospitals, Inc., f/k/a The Methodist Hospitals of Gary, Inc. as their free and voluntary act and deed for the uses and purposes therein set forth, as they are duly authorized and empowered to do.

Given under my hand and official seal this 17th day of March, 1993.

Deborah A. Taylor  
Document is \_\_\_\_\_ Notary Public

**NOT OFFICIAL!**

Printed Name: Deborah A. Taylor

This Document is the property of  
the Lake County Recorder!

County of Residence:

My Commission Expires: 4/20/95

Lake

**STOP**



This Instrument prepared by Glenn R. Patterson, Esq., Singleton, Crist, Patterson, Austgen & Lyman, Suite 200, 9245 Calumet Avenue, Munster, Indiana 46321