

INDEMNIFYING REAL ESTATE MORTGAGE

93040204

This Mortgage made the 15TH day of June, 1993, by Thomas J. Ricciardi and Barbara L. Ricciardi, of 10052 Olcott Avenue, St. John, Indiana (hereinafter "Mortgagor"), unto NBD Bank, N. A., of 8585 Broadway, Merrillville, Indiana (hereinafter "Mortgagee"),

WITNESSETH:

This Mortgage is given in consideration of any loan or other financial accommodations by Mortgagee to Ricco's Inc., an Indiana corporation, and Mortgagor (hereinafter, severally and jointly, "Borrower") and specifically to secure the payment of a certain Secured Adjustable Rate Note and any extensions, modifications, renewals or replacements thereof or substitutions therefor, in the principal sum of One Hundred Forty Thousand and NO/100----Dollars (\$140,000.00) given to Mortgagee and Borrower, payable as therein provided, and for the purpose of securing the repayment of said obligations, and to indemnify the Mortgagee from any loss or damage that it may incur by the failure of said obligations to be paid as agreed, the undersigned hereby mortgage and warrant to the Mortgagee, the property situated in Lake County, State of Indiana, described as follows, to-wit:

Lot 135, Homestead Acres, 7th Addition to the Town of St. John, as shown in Plat Book 49, page 126 in the Office of the Recorder of Lake County, Indiana,

together with all buildings, the property, of structure, appurtenances, fittings, equipment and fixtures attached or used in connection with the property or hereafter attached, erected, appurtenant or used in connection with the property, including but not limited to storm and screen windows and doors, cabinets, bathroom fixtures, drapes, shades, floor coverings, stoves, refrigerators and other appliances, gas, steam, electric and other air-conditioning, heating, and lighting apparatus, all of which are to be deemed to be a part of the property, whether; physically attached or not, together with all rents, issues, income, profits, rights, privileges, interests, easements and hereditaments thereof (hereinafter, "Property").

And that said Mortgagor does covenant with the said Mortgagee as follows: First, that Mortgagor is lawfully seized of the Property in fee simple; Second, that Mortgagor has a good right to convey the same; Third, that the same are free from all liens and encumbrances except as set out in Clause 5 below; Fourth, that the Mortgagee shall quietly enjoy and possess the same; and that the Mortgagor will warrant and defend the title to the same against all lawful claims.

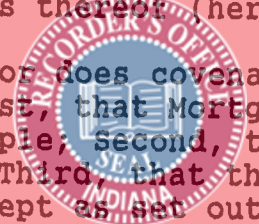
The Mortgagor for himself, herself, his, her heirs, executors, administrators, successors, and assigns, covenants and agrees with the Mortgagee, its successors and assigns as follows:

1. If there is a default in the payment of any obligations hereby secured or in the performance of any of the Mortgagor's, Borrower's, or Guarantor's, covenants set forth in this Mortgage or other instruments signed in conjunction with the obligations this mortgage secures, or if Mortgagor should abandon the Property, or if the Property or any part thereof should be attached, levied upon or seized, or if the Mortgagor, Borrower, or Guarantor, should become bankrupt or insolvent or make an assignment for the benefit of creditors or if a receiver should be appointed for the Mortgagor, Borrower, or Guarantor, then all obligations secured hereby shall, at Mortgagee's option, become immediately due and payable, without notice or demand, and the Property shall be subject to foreclosure of this Mortgage, and the Mortgagee, if it elects to foreclose the same, shall become entitled to the immediate possession of the Property together with all the rents, issues, income and profits therefrom and all

Chicago Life Insurance Company

STATE OF INDIANA  
LAKE COUNTY  
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amounts due are payable without relief from valuation or appraisal laws and Mortgagor will pay all costs and attorneys fees incurred by Mortgagee in the enforcement of the terms of this Mortgage.

2. For the duration of any obligation hereby secured: (a) The Mortgagor will keep the Property in its present state of repair, normal wear and tear excepted; (b) Mortgagor will pay all taxes and assessments imposed on the Property and will otherwise take such action and exercise such forbearance as may be necessary in order that the Property shall not hereafter become subject to any lien or encumbrance superior to this Mortgage; (c) Mortgagor will procure and maintain insurance with insurance companies acceptable to Mortgagee, against damage to or destruction of the improvements included in Property by fire and windstorm or by any cause customarily included in the terms "extended coverage" such insurance to be in a sum not at any time less than the value of such improvements or the total of the obligations then hereby secured, plus all taxes, assessments and indebtedness then secured by any liens or encumbrances superior hereto on the Property whichever is smaller, and to be payable to the Mortgagee as its interest may appear; (d) Mortgagor will deliver the policy or a certificate evidencing said insurance to the Mortgagee and will allow Mortgagee possession of the same, and the Mortgagee may collect the proceeds of any insurance. Mortgagor appoints Mortgagee as his attorney-in-fact to endorse any insurance checks and drafts payable to him; (e) This Mortgage and the obligations secured hereby may not be assumed, there can be no transfer or sale of any interest in the Mortgage or any beneficial interest in Mortgage, if Mortgagor is not a natural person but is a corporation, partnership, Trust, or other legal entity, without prior written consent of the Mortgagee; (f) Mortgagor will pay and keep current any mortgage on the Property that is superior to this Mortgage and immediately advise Mortgagee in writing of his failure to do so; (g) Mortgagor will not further mortgage or encumber the Property in any way without the express written consent of the Mortgagee. This prohibition shall include the Mortgagor borrowing any future monies from any senior mortgage holder under any "other indebtedness" or "future advance" clause without the prior written consent of the Mortgagee; (h) Mortgagor shall not allow any judgment liens; mechanic's liens or other liens of any nature or kind to be placed against the Property, and if such lien or liens should be affixed or placed on the Property, Mortgagor shall immediately advise Mortgagee of this fact in writing and cause said lien to be satisfied and released within five (5) days from the entry thereof.

3. If the Mortgagor shall fail to make any payment or to obtain any insurance, service or materials or pay or remove any liens on the Property necessary for the performance of any of Mortgagor's covenants above set forth, then the Mortgagee at its option may do so, and its expenditures for any such purpose shall be added to and become part of the obligations hereby secured. Any amount so added shall, from the date of payment thereof by the Mortgagee, bear interest at the rate of interest set forth in the obligation.

4. The Mortgagee at its option may extend the time or the payment of any obligation hereby secured, or reduce the payments thereon, or accept a note or renewal note therefor, or release any part of the security, or any person liable for the obligations without consent of any junior lienholder, and without the consent of the Mortgagor. No such extension, reduction, renewal or release shall affect the priority of this Mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of the Mortgagor to the Mortgagee. No delay by the Mortgagee in the exercise of any of its rights hereunder shall preclude the exercise thereof so long as the Borrower is in default of any of the obligations hereby secured and no failure of the Mortgagee to exercise any of its rights because of one default shall preclude the exercise thereof for a subsequent default. The Mortgagee

may enforce any one or more of its rights or remedies hereunder successively or concurrently.

5. That the Property mortgaged hereby is free, clear and unencumbered except as to (a) real estate taxes not yet due; (b) usual easements, covenants and restrictions of record; (c) real estate mortgage dated November 18, 1988 to Citizen's Federal Savings & Loan in the original amount of \$110,000.00 which Mortgage is not in default; (d) Other: \_\_\_\_\_.

6. In the event this Mortgage is subject to a Mortgage set out in the paragraph above, or any other mortgage or encumbrance and that prior mortgage or encumbrance is in default or is foreclosed upon, or in the event Mortgagor without Mortgagee's prior written consent, sells or transfers any interest in this Property, then at the option of the Mortgagee, this Mortgage and the obligations it secures shall become immediately due and payable in full, and further, that the Mortgagee may immediately foreclose this Mortgage, all without any notice or demand whatsoever.

7. That the Mortgagor will indemnify and save harmless from, and repay on demand the Mortgagee for, any loss, damage, expense, or attorney's fees which may be incurred by the Mortgagee by reason of any suit or proceeding to which the Mortgagee is made a party on account of this Mortgage, and any loss, damage, expense, or attorney's fees so incurred by the Mortgagee is made a part of the obligations secured by this Mortgage.

8. That the Mortgagee shall, at its option, be entitled to be subrogated to any demand, lien, claim or right paid or satisfied by or with the monies advanced and hereby secured, and that the Mortgagee herein may, at any time or times in succession, without notice, extend the time of payment of the obligations hereby secured, or any part thereof, to any person or persons then under obligation to pay the same or affected by the lien hereby created, upon such terms as may be agreed upon by the Mortgagee and the party requesting the extension, without impairing in any way the lien or priority of this Mortgage.

9. That all agreements and representations of the Mortgagor herein contained are made also for the benefit of any assignee of the Mortgagee.

10. That all rights and remedies secured to the Mortgagee by the covenants and agreements contained in this Mortgage are to be deemed cumulative and not in any way in derogation of the rights of the Mortgagee under laws of the State of Indiana.

11. The covenants, agreements, and conditions hereof shall be binding upon the Mortgagor and the heirs, personal representatives, successors, and assigns of the Mortgagor, and shall inure to the benefit of the Mortgagee and its successors and assigns. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF this Mortgage has been executed by the Mortgagor on the 15TH day of JUNE, 1993.

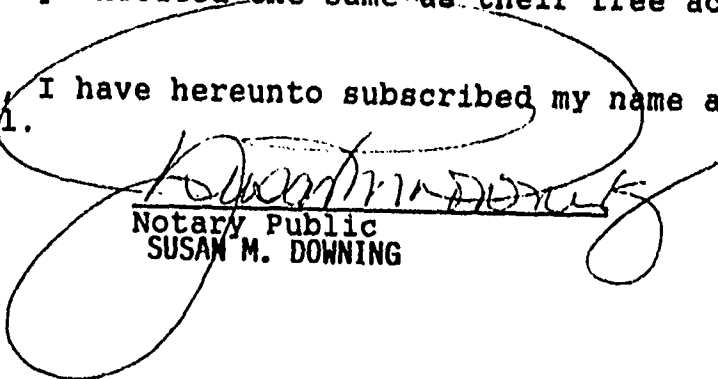
  
Thomas J. Ricciardi

  
Barbara L. Ricciardi

STATE OF INDIANA )  
                          ) SS:  
COUNTY OF LAKE )

On this 15TH day of JUNE, 19 93, before me the undersigned, a Notary Public, personally appeared Thomas J. Ricciardi and Barbara L. Ricciardi, to me known to be the persons described in and who executed the foregoing Mortgage Instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

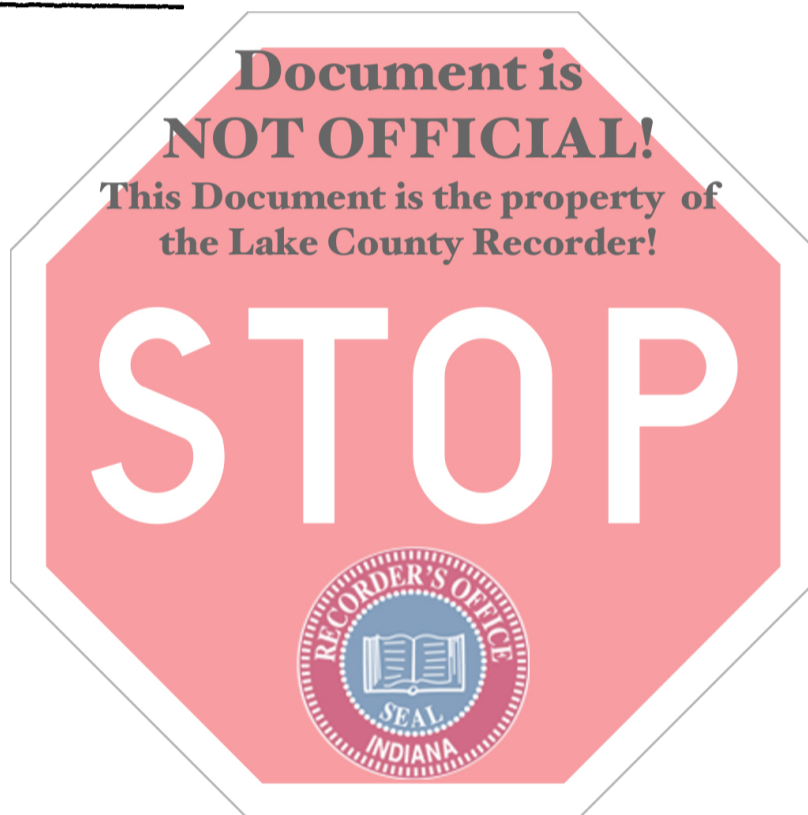
  
Notary Public  
SUSAN M. DOWNING

My Commission Expires:

4-10-95

County of Residence:

LAKE



This instrument prepared by Timothy A. Brust as  
Assistant Vice President of NBD Bank, N. A.