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REAL ESTATE MORTGAGE

MARGARET B. BROWN
RECORDER

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THIS INDENTURE WITNESSETH, that MacKenzie Land Development, L.L.C. (the "Mortgagor") of Lake County, State of Indiana, mortgages and warrants to Cecile V. Rozak (the "Mortgagee"), of Lake County, Florida, the following described real estate in Lake County, Indiana:

The East 1/2 of the Southeast 1/4 of Section 20, Township 34 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana; EXCEPTING THEREFROM the South 1350 of the West 850 feet thereof.

This Document is the property of
(hereinafter referred to as the "Mortgaged Premises") together with all rights, privileges, interests, easements, herditaments, appurtenances, fixtures and improvements now or hereafter belonging, appertaining, attached to, or used in connection with, the Mortgaged Premises, and all the rents, issues, income and profits thereof.

This mortgage is given to secure the performance of the provisions hereof and the payment of a certain promissory note (the "Note") of even date herewith, in the principal amount of one-hundred, eighty-thousand and 00/100 Dollars (\$180,000.00), with interest and upon such terms as therein provided.

1. **Payment of Indebtedness.** The Mortgagor shall pay when due all indebtedness secured by this mortgage, on the dates and in the amounts, respectively, as provided in the Note or in this mortgage without relief from valuation and appraisal laws, and with attorneys fees, expenses of suit, and court costs.

2. **No Liens.** The Mortgagor shall not permit any lien of mechanics, materialmen, laborers or others to attach to and remain on the Mortgaged Premises or any part thereof for more than forty-five (45) days after receiving notice thereof from the Mortgagee.

3. **Repair of Mortgaged Premises; Insurance.** The Mortgagor

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shall keep the Mortgaged Premises in good repair and shall not commit waste thereon. The Mortgagor shall procure and maintain in effect at all times adequate insurance in insurance companies acceptable to the Mortgagee against loss, damage to, or destruction of the Mortgaged Premises because of fire, windstorm or other such hazards in such amounts as the Mortgagee may reasonably require from time to time, and all such insurance policies shall contain proper clauses making all proceeds of such policies payable to the Mortgagee and the Mortgagor as their respective interests may appear. All such policies of insurance shall be delivered to and retained by the Mortgagee until the indebtedness secured hereby is fully paid.

4. **Taxes and Assessments.** The Mortgagor shall pay all taxes or assessments levied or assessed against the Mortgaged Premises, or any part thereof, as and when the same become due and before penalties accrue.

5. **Advancements to protect Security.** The Mortgagee may, at her option, advance and pay all sums necessary to protect and preserve the security intended to be given by this mortgage. All sums so advanced and paid by the Mortgagee shall be immediately reimbursed to the Mortgagee, and until the receipt thereof by the Mortgagee, shall bear interest from the date or dates of payment at the rate of seventeen and one-half per centum (17.5%) per annum. Such sums may include, but are not limited to, insurance premiums, taxes, assessments and liens which may be or become prior and senior to this mortgage as a lien on the Mortgaged Premises, or any part thereof, and all costs, expenses and attorney's fees incurred by the Mortgagee in respect of any and all legal or equitable proceedings which relate to this mortgage or the Mortgaged Premises.

6. **Default by Mortgagor; Remedies of Mortgagee.** Time shall be of the essence of this agreement. If Mortgagor fails to pay any installment due on the Note, or any installment of taxes on the Mortgaged Premises, or assessment for a public improvement thereon, or any premium of insurance, as the same becomes due, and if such failure continues for a period of ten (10) days after the amount is due; or if Mortgagor fails to perform or observe any other condition or term of this agreement and such default continues for a period of fifteen (15) days

after written notice identifying such default is given to Mortgagor, then Mortgagee may, at her option:

- a. Foreclose upon the Mortgaged Premises, and remove Mortgagor therefrom, or those holding or claiming under it, without any demand to the extent permitted by applicable law.
- b. Declare the entire unpaid balance due on the Note immediately due and payable, and in such event, Mortgagee may pursue whatever remedies, legal or equitable, are available to collect the entire unpaid balance due on the Note.
- c. Apply for the appointment of a receiver for the Mortgaged Premises, to which remedy the Mortgagor hereby specifically agree and consents, acknowledging hereby that any other relief is inadequate.
- d. Exercise any other remedies available at law, or in equity.

If the Mortgagor shall abandon the Mortgaged Premises, or shall be adjudged in the status of a debtor in bankruptcy, or if a trustee or receiver shall be appointed for the Mortgagor or for any part of the Mortgaged Premises, then and in any such event, the entire indebtedness secured hereby shall become immediately due and payable at the option of the Mortgagee, without notice.

All remedies of the Mortgagee shall be with attorneys fees, expenses of suit, and court costs, and without relief from valuation and appraisal laws. Upon the institution of foreclosure, the Mortgagee may continue the abstract of title to the Mortgage Premises, or obtain other appropriate title evidence such as title insurance, and may add the cost thereof to the principal balance due.

7. Partial Releases Upon Payment of Principal. Mortgagee agrees from time to time to release portions of the Mortgaged Premises upon the following conditions, to-wit:

1) For each eight thousand Dollars (\$8000) of principal paid on the Promissory Note secured by this mortgage, Mortgagee shall release one (1) acre of real property from the Mortgage; and,

2) Each such acre so released shall be suitably described by Mortgagor at its expense, and shall be contiguous to the following described real estate, to-wit:

The South 1350 of the West 850 feet thereof of the East 1/2 of the Southeast 1/4 of Section 20, Township 34 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana.

8. **Non-Waiver; Remedies Cumulative.** No delay by the Mortgagee in the exercise of any of her rights hereunder shall preclude the exercise thereof so long as the Mortgagor is in default hereunder, and no failure of the Mortgagee to exercise any of her rights hereunder shall preclude the exercise thereof in the event of a subsequent default by the Mortgagor hereunder. The Mortgagee may enforce any one or more of her rights or remedies hereunder successively or concurrently.

9. **Extensions; Reductions; Renewals: Continued Liability of Mortgagor.** The Mortgagee, at her option, may extend the time for the payment of the indebtedness, or reduce the payments thereon, or accept a renewal note or notes therefor, without consent of any junior lien holder, and without the consent of the Mortgagor if the Mortgagor has then parted with title to the Mortgaged Premises. No such extension, reduction, or renewal 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. Mortgagor may not assign, sell, or alienate in any fashion the Mortgaged Premises or any interest therein without the prior written consent of the Mortgagee.

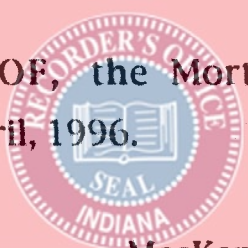
10. **Indemnification and Release.** Regardless of whether or not separate, several, joint or concurrent liability may be imposed upon Mortgagor, Mortgagor shall indemnify Mortgagee and hold her harmless from and against all damages, claims, and liabilities arising from or connected with Mortgagor's control or use of the Real Estate, including, without limitation, any damage or injury to person or property. If Mortgagee shall without fault become a party to litigation commenced by or against Mortgagor, then Mortgagor shall indemnify and hold Mortgagee harmless, including attorneys fees, expenses of suit, and court costs. Mortgagor hereby releases Mortgagee from all liability for any accident, damage, or injury caused to persons or property on or about the

Mortgaged Premises, notwithstanding whether such acts or omissions be active or passive.

11. Mortgagor's Responsibility for Accidents. Mortgagor hereby assumes all risk and responsibility for accident, injury, or damage to person or property arising from its use and control of the Mortgaged Premises and the improvements thereon. Mortgagor shall insure such risk by carrying liability insurance in the minimum amount of one-million Dollars (\$1,000,000), with one or more insurance carriers satisfactory to the Mortgagee, insuring the Mortgagee's liability as well as that of the Mortgagor. Mortgagor shall promptly supply Mortgagee with evidence of such insurance, in the form of one or more certificates of insurance, upon request of the Mortgagee.

12. General Agreement of Parties. All rights and obligations hereunder shall extend to and be binding upon the several heirs, representatives, successors, and assigns of the parties to this mortgage. When applicable, use of the singular form of any word also shall mean or apply to the plural, and the masculine form shall mean and apply to the feminine or the neuter. The titles of the several paragraphs of this mortgage are for convenience only and do not define, limit, or construe the contents of such paragraphs.

IN WITNESS WHEREOF, the Mortgagor have executed this mortgage this 19th day of April, 1996.



MacKenzie Land Development, L.L.C.

By: John W. VanHoesen
John W. VanHoesen, president

Attest: Donna M. Casey
Donna M. Casey, secretary/treasurer

ILLINOIS)
STATE OF INDIANA)
COOK) SS:
COUNTY OF LAKE)

Before me, a Notary Public in and for said County and State, personally appeared John W. VanHoesen, known to me personally to be the president of MacKenzie Land Development, L.L.C., who, with full and complete authority,

acknowledged the execution of the foregoing mortgage on behalf of the aforesaid limited liability company, and swore that the representations contained therein are true.

Witness my hand and Notarial Seal this 19th day of April, 1996.

My Commission Expires:

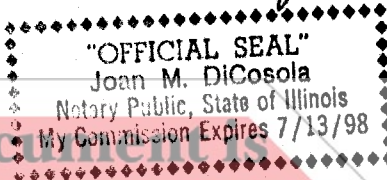
7-13-98

JOAN M. DICOSOLA

Joan M. DiCosola, Notary

Public

Resident of Cook County, Illinois



STATE OF ILLINOIS)

NOT OFFICIAL!

COUNTY OF Cook)

This Document is the property of

Before me, a Notary Public in and for said County and State, personally appeared Donna M. Casey, known to me personally to be the secretary/treasurer of Mackenzie Land Development, L.L.C., who, with full and complete authority, acknowledged the execution of the foregoing mortgage on behalf of the aforesaid limited liability company, and swore that the representations contained therein are true.

Witness my hand and Notarial Seal this 19th day of April, 1996.

My Commission Expires:

7-13-98

JOAN M. DICOSOLA

Joan M. DiCosola, Notary

Public

Resident of Cook County, Illinois



Personal Guarantees

The undersigned Guarantors, jointly and severally, hereby personally and absolutely guarantee each and all of the obligations of the above-named Mortgagor in the foregoing mortgage, and further guarantee prompt and satisfactory performance of each and all of the Mortgagor's obligations under the mortgage in accordance with its terms and conditions. If the Mortgagor defaults in performance of any of its obligations under the mortgage according to its terms and conditions, Guarantors, jointly and severally, shall promptly pay to the above-named

Mortgagee all damages, costs, expenses, and attorneys fees that the Mortgagee is entitled to recover from the Mortgagor by reason of such default. This guaranty shall continue in full force and effect until each and all of the obligations of the Mortgagor under the foregoing mortgage have been satisfied, or until the Mortgagor's liability to the Mortgagee shall have been completely discharged, whichever first occurs. Guarantors shall not be discharged from liability hereunder as long as any claim by the Mortgagee against the Mortgagor remains outstanding. Notice of default on the part of the Mortgagor is hereby waived. This guaranty shall be binding upon each and all Guarantors, their respective successors or assigns by any name, and on each' legal representatives.

John W. VanHoesen _____ *Robert W. Casey* _____
 John W. VanHoesen the Lake County Robert W. Casey

Mary VanHoesen _____ *Donna M. Casey* _____
 Mary VanHoesen Donna M. Casey

ILLINOIS)
 STATE OF INDIANA)
 COOK)
 COUNTY OF LAKE)

SS:

Before me, a Notary Public in and for said County and State, personally appeared Robert W. Casey and John W. VanHoesen, each known to me personally, each of whom acknowledged the execution of the foregoing Personal Guaranty, and swore that the representations contained therein are true.

Witness my hand and Notarial Seal this 19th day of April, 1996.

My Commission Expires:

7-13-98

Resident of Cook County, Illinois ~~Indiana~~

STATE OF ILLINOIS)
)
 COUNTY OF COOK)

SS:

Joan M. DiCisola _____
 JOAN M. DICOSOLA, Notary Public

 "OFFICIAL SEAL"
 Joan M. DiCisola
 Notary Public, State of Illinois
 My Commission Expires 7/13/98

Before me, a Notary Public in and for said County and State, personally appeared Donna M. Casey, known to me personally, who acknowledged the execution of the foregoing Personal Guaranty, and swore that the representations contained

therein are true.

Witness my hand and Notarial Seal this 19th day of April, 1996.

My Commission Expires:

7-13-98

Public

Resident of COOK County, Illinois

STATE OF ILLINOIS)

COUNTY OF COOK)

Document is
NOT OFFICIAL!
Notary Public, State of Illinois
The Lake County Recorder!

Before me, a Notary Public in and for said County and State, personally appeared Mary VanHoesen, known to me personally, who acknowledged the execution of the foregoing Personal Guaranty, and swore that the representations contained therein are true.

Witness my hand and Notarial Seal this 19th day of April, 1996.

My Commission Expires:

7-13-98

Public

Resident of COOK County, Illinois

STATE OF ILLINOIS)

COUNTY OF COOK)

RECORDER'S OFFICE
SEAL
INDIANA

Before me, a Notary Public in and for said County and State, personally appeared Mary VanHoesen, known to me personally, who acknowledged the execution of the foregoing Personal Guaranty, and swore that the representations contained therein are true.

Witness my hand and Notarial Seal this 19th day of April, 1996.

My Commission Expires:

7-13-98

Public

Resident of COOK County, Illinois

STATE OF ILLINOIS)

COUNTY OF COOK)

Before me, a Notary Public in and for said County and State, personally appeared Mary VanHoesen, known to me personally, who acknowledged the execution of the foregoing Personal Guaranty, and swore that the representations contained therein are true.

Witness my hand and Notarial Seal this 19th day of April, 1996.

This instrument prepared by Timothy R. Sendak, attorney at law
209 South Main Street, Crown Point, Indiana 46307 (219) 663-0015