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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2019 MAR -4 AM 10:40

MICHAEL B. BROWN
RECORDER

Mortgagor's Name And Address:

Chief Bruno LLC
9812 Twin Creek Blvd
Munster IN 46321

KRISBI TLP, LLC
5302 Beachwood Point Ct
Midlothian, VA 23112

("Mortgagee")



REAL ESTATE MORTGAGE, SECURITY AGREEMENT,
COLLATERAL ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING

FOR VALUABLE CONSIDERATION given this 27th day of February, 2019, the receipt of which is hereby acknowledged, Chief Bruno, LLC ("Mortgagor" whether one or more) hereby grants, mortgages, warrants, and conveys, with mortgage covenants, to Mortgagee that real estate situated in Lake County, State of Indiana, described as follows:

Parcel 1: BUNGALOW HEIGHTS Lot 20 Block 4, in the City of Gary, Lake County, Indiana
Common Address: 4349 Carolina, Gary, IN 46409
Parcel # 45-08-27-379-009.000-004

Parcel 2: 6TH South Broadway Addition Lot 36 Block 2 and all Lot 37 Block 2, in the City of Gary, Lake County, Indiana
Common Address: 3860 Massachusetts, Gary, IN 46409
Parcel # 45-08-27-106-033.000-004

together with all rights, privileges, interests, mineral rights, water rights, air rights, timber rights and/or gas rights, easements, buildings, improvements, appurtenances, fixtures and hereditaments therein, thereon, or thereto belonging (herein collectively "Real Estate"), and the rents and

\$55⁰⁰
cash
AB

profits and other income of the Real Estate whether now existing or hereafter acquired, which said rents and profits are now and hereby assigned to Mortgagee.

1. INDEBTEDNESS SECURED. This Mortgage is given to secure the following:

Payment of a term loan note executed by Mortgagor in favor of Mortgagee and dated the 27th day of February, 2019 in the original principal amount of \$40,000.00, and with any unpaid balance of principal and interest being due and payable on or before the 1st day of March, 2021.

The Mortgagor shall have and hold the Real Estate unto the Mortgagee, for the purposes and uses set forth herein under the following terms and conditions:

2. COVENANTS. Mortgagor hereby covenants and agrees with Mortgagee as follows:

2.01. Security Agreement. THIS INSTRUMENT WHEN RECORDED SHALL CONSTITUTE A "FIXTURE FILING" FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE. THE ADDRESS OF THE MORTGAGEE AS SHOWN ABOVE IS THE ADDRESS AT WHICH INFORMATION CONCERNING THE MORTGAGEE'S SECURITY INTEREST MAY BE OBTAINED. Mortgagor hereby grants to Mortgagee a security interest in all equipment or other tangible personal property which is now or hereafter becomes attached to the Real Estate or any improvement thereon so as to constitute a fixture, whether now owned or hereafter acquired, including, not by way of limitation, all heating, ventilation and air conditioning equipment, and all shelving and storage devices now or hereafter affixed or attached to the Real Estate.

2.02. Waste and Maintenance of Premises. The Mortgagor shall abstain from and not permit the commission of waste in or about the Real Estate; shall not move or demolish, or alter the structural character of any building at any time erected on the Real Estate without the prior written consent of the Mortgagee; shall maintain the Real Estate in good condition and repair, reasonable wear and tear excepted. The Mortgagee shall have the right, but not the duty, to enter upon the premises at any reasonable hour to inspect the order, condition, and repair thereof, including the interiors of any buildings and improvements located thereon.

2.03. Insurance Obligation. The Mortgagor will procure, deliver to, and maintain for the benefit of the Mortgagee during the continuance of this Mortgage and until the same is fully satisfied and released, a policy or policies of insurance insuring the buildings and improvements now existing or hereafter erected on the Real Estate for their full replacement value against loss or damage by fire, lightning, flood (if required by applicable law), windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, and such other hazards, casualties, and contingencies as the Mortgagee may designate.

In the event of any loss or damage, the Mortgagor will give prompt notice thereof to the Mortgagee. All proceeds of insurance in the event of such loss or damage shall be payable jointly to the Mortgagor, its successors and assigns, and the Mortgagee. All funds will be utilized by the Mortgagor to the extent necessary to restore the Real Estate to substantially the same condition as the Real Estate existed prior to the loss or damage, unless the Mortgagee shall elect not to do so. In the latter event, the Mortgagee shall then apply the proceeds to the then existing indebtedness and the balance shall be paid to the Mortgagor. Mortgagee may act as attorney-in-fact for the Mortgagor in making and settling claims under insurance policies,

canceling any policy or endorsing Mortgagor's name on any draft or negotiable instrument drawn by any insurer.

2.04. **Payment of Taxes and Other Charges.** The Mortgagor shall pay all real estate taxes, water and sewer rents, other similar claims and liens assessed or which may be assessed against the Real Estate or any part thereof, without any deduction or abatement, and shall produce to the Mortgagee receipts for the payment thereof in full and shall pay every other tax, assessment, claim, lien, or encumbrance which may at any time be or become a lien upon the Real Estate prior to the lien of this Mortgage.

2.05. **Compliance with Laws and Ordinances.** The Mortgagor shall comply with all statutes, ordinances, rules, regulations, orders, and directions of any legislative, executive, administrative, or judicial body or official applicable to the Real Estate, or any part thereof.

2.06. **Condemnation.** Mortgagor shall immediately provide Mortgagee with written notice of any actual or threatened condemnation or eminent domain proceeding pertaining to the Real Estate, or any part thereof. All monies payable to Mortgagor from such condemnation or taking are hereby assigned to Mortgagee and shall be applied first to the payment of Mortgagee's attorney's fees, legal expenses and other costs (including appraisal fees) in connection with the condemnation action or eminent domain proceedings and then, at the option of Mortgagee, to the payment of the indebtedness secured by this Mortgage or the restoration or repair of the Real Estate.

2.07. **Title; No Mortgages.** Mortgagor does hereby represent and warrant that Mortgagor is the owner of the Real Estate in fee simple; that there are no other mortgages, liens, encumbrances or claims against the Real Estate or which may affect the Real Estate except the lien of real estate taxes not yet due and owing.

2.08. **Leases.** Mortgagor will observe and perform all covenants, conditions and agreements contained in any Lease or Leases now or hereafter affecting the Real Estate, or any portion thereof, on the part of the Mortgagor to be observed and performed.

3. DEFAULT AND BREACH

3.01. **Events of Default.** Mortgagor's breach of any covenant or agreement of Mortgagor contained in this Mortgage or any event defined as a default in any note secured hereby, or in any other instrument or document executed by Mortgagor (or Borrower) in favor of Mortgagee, including, but not limited to any failure by any one so obligated to make any payment of principal and/or interest when due under the Obligations including, without limitation, any note secured hereby shall constitute a default under this Mortgage.

3.02. **Remedies on Default.** Upon the occurrence and continuance of an event of default, all indebtedness secured hereby shall, at the option of the Mortgagee, become immediately due and payable and this Mortgage may be foreclosed accordingly. Should proceedings to foreclose this Mortgage be instituted, the Mortgagee may apply for the appointment of a receiver (and the Mortgagor hereby consents to the appointment of a receiver if there has been any Default), and

such receiver is hereby authorized to take possession of the Real Estate, collect any rental, accrued or to accrue, whether in money or kind, for the use or occupancy of said Real Estate by any person, firm or corporation, or may let or lease said Real Estate or any part thereof, receive the rents, income and profits there from, and hold the proceeds subject to the orders of the court, or the judge thereof, for the benefit of the Mortgagee, pending the final decree in said proceedings, and said receiver may be appointed irrespective of the value of the Real Estate or its adequacy to secure or discharge indebtedness due or to become due or the solvency of the Mortgagor. In any action to foreclose this Mortgage, the Mortgagee shall be entitled to recover, in addition to all attorney and related paraprofessional expenses incurred in connection therewith, all other costs and expenses associated with foreclosure including, without limitation, all expenses incurred for title searches, abstracts of title, title insurance, appraisals, surveys and environmental assessments reasonably deemed necessary by the Mortgagee, all of which costs and expenses shall be additional amounts secured by this Mortgage. As used in the preceding sentence, the term "environmental assessments" means inspections and reports of environmental engineers or firms of environmental engineers or other appropriate experts or consultants, and associated samplings and testings of soil or groundwater, the purpose of which is to determine whether there is any Contamination associated with the Real Estate and if so, the extent thereof, and to estimate of the cost of Clean-up of any Contamination, and to determine whether there are any underground storage tanks or any asbestos in, on, or under the Real Estate and if so, whether there are any violations of Environmental Laws in connection therewith. As used in this paragraph, the terms "Contamination," "Clean-up" and "Environmental Laws" are used as defined hereinabove.

3.03. **Failure to Pay Taxes or Insurance Premiums.** If the Mortgagor fails to pay any tax, claim, lien or encumbrance which shall be or become prior in lien to this Mortgage, or to pay any insurance premium as aforesaid, or to keep the Real Estate in repair, as aforesaid, or commits or permits waste, then the Mortgagee, at its option, may pay said claim, lien, encumbrance, tax assessment, or premium, with right of subrogation there under, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any action or proceeding with respect to any of the foregoing and retain counsel therein, and take such action therein as the Mortgagee deems advisable, and for any of said purposes the Mortgagee may advance such sums of money as it deems necessary. All sums of money advanced by the Mortgagee pursuant to this section, together with interest on each such advance at the highest rate of interest specified in any note secured hereby, shall be so much additional indebtedness secured hereby and shall immediately become due and payable without notice or demand. The failure of the Mortgagee to act pursuant to this section shall not be deemed a waiver of any rights the Mortgagee may have because of any default by the Mortgagor.

3.04. **Assignment of Leases and Rents.** As further security for payment of the indebtedness and performance of the Obligations, covenants, and agreements secured hereby, the Mortgagor assigns to the Mortgagee the rents, issues and profits of the Real Estate, including any rents and all other amounts (collectively "Lease Payments") which are due or shall become due to the Mortgagor under the terms of any present or future lease (a "Lease"), oral or written, of all or any portion of the Real Estate (all such rents, issues, profits and Lease Payments are hereafter

collectively referred to as the "Rents"), and all other rights of the Mortgagor with respect to any such Lease. This assignment of Rents and leasehold rights is an absolute assignment, contingent only upon the occurrence of a Default (as hereafter defined) or as otherwise provided herein, and includes the right of the Mortgagee to collect all Rents and exercise such rights subject to the conditional license to collect Rents and exercise such rights granted by the Mortgagee to the Mortgagor herein below. At any time an event of default has occurred and is continuing, the Mortgagee may enter upon and take possession of the Real Estate or any part thereof, and at any such time the Mortgagee may demand, sue for, receive and give receipts, releases and satisfactions for all Rents, and for such purposes Mortgagor hereby irrevocably appoints and constitutes the Mortgagee as its true and lawful attorney-in-fact with full power of substitution for and on behalf of Mortgagor and in a manner not adverse to the interests of Mortgagor, to request, demand, enforce payment, collect and receive the Rents payable under the Leases, to endorse any checks, drafts or orders evidencing the payment of Rents under the Leases, and to do and perform any act which Mortgagor might do for and on its own behalf. The collection of such Rents shall not operate as an affirmation of any tenant or lease in the event the Mortgagor's title to the Real Estate or any portion thereof shall be acquired by the Mortgagee. The Mortgagee shall be liable to account only for Rents actually received by the Mortgagee. In exercising any of the powers contained in this Mortgage, Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Real Estate and used by the Mortgagor in the maintenance, rental or leasing thereof or any part thereof. Mortgagor does not assign to Mortgagee any of Mortgagor's obligations under any such Lease, and Mortgagor shall be and remain solely responsible for performing or fulfilling such obligations. At any time that the Mortgagee has not exercised its right to take possession of the Real Estate and there is not in effect any demand by the Mortgagee for the direct payment of Rents to the Mortgagee, the Mortgagor may collect and retain Rents or use them for any proper purpose in the ordinary course of the Mortgagor's business. Any demand by the Mortgagee upon any tenant of the Real Estate accompanied by a copy of this Mortgage shall be sufficient authority for such tenant thereafter to make all payments of Rents directly to the Mortgagee and any such tenant shall have no obligation or authority to inquire into the propriety of any such demand. Upon making payments of Rents to the Mortgagee pursuant to the Mortgagee's demand, any tenant of the Real Estate shall be as fully discharged of its obligations under any Lease to the extent of such payments as if such payments had been made directly to the Mortgagor. If at any time payments of Rents are required to be made directly to the Mortgagee under the terms of this paragraph and notwithstanding such requirement such payments are made to the Mortgagor, the Mortgagor will receive such payments in trust for the Mortgagee and will forward them immediately to the Mortgagee in the form in which received, adding only such endorsements or assignments as may be necessary to perfect the Mortgagee's title thereto. Any amounts collected by the Mortgagee pursuant to the assignment of rents contained in this Mortgage shall be applied by the Mortgagee to the payment of such of the Obligations as are then due and payable as the Mortgagee in its sole discretion shall determine. If no Obligations are then due and payable, such amounts may be held by the Mortgagee as cash collateral for the Obligations, without liability for interest thereon, provided that the Mortgagee will, at the direction of the Mortgagor, invest such amounts for the account and at the risk of the Mortgagor in U.S. Treasury Bills with less than sixty (60) days remaining to maturity or in similar essentially risk-

free, cash equivalent investments as the Mortgagor may reasonably direct and any earnings derived from such investments will become a part of the collateral cash account. Any portion or all of the cash collateral account which is not applied to Obligations pursuant to the terms of this paragraph may at the discretion of the Mortgagee be released to the Mortgagor. The authority given to collect Rents conferred upon the Mortgagee under the terms of this Mortgage is irrevocable.

4. SATISFACTION AND RELEASE

4.01. Release. Upon payment of the Obligations and any other sums secured by this Mortgage, Mortgagee shall release this Mortgage.

4.02. Transfer of Real Estate by Mortgagor. Any transfer by sale, gift, grant, devise, operation of law, or otherwise of the fee title or any other interest, (including, but not limited to mortgage, easement, land contract or leasehold interest) in all or any portion of the Real Estate shall have the same consequences as an event of default respecting the indebtedness secured hereby, and upon such transfer, the Mortgagee, without prior notice shall have the right to declare all sums secured hereby immediately due and payable and, upon failure by the Mortgagor to make such payment the Mortgagee shall have the right to exercise all remedies provided in any note secured hereby, this mortgage, or otherwise at law.

5. MISCELLANEOUS

5.01. Notice. A notice which is mailed to the Mortgagor at the address contained in this mortgage shall be sufficient notice when required under this Mortgage.

5.02. Commercial Mortgage. This Mortgage secures indebtedness incurred for a business purpose.

5.03. Cumulative Rights and Remedies. The rights and remedies of the Mortgagee as provided herein, or in any note secured hereby, and the warranties therein contained, shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of the Mortgagee, and may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

5.04. Extensions; Reductions; Renewals; Continued Liability of Mortgagor. The Mortgagee, at its option and on such terms as it may desire, may extend the time of payment or performance of any part or all of the Obligations or reduce the payments thereon, or accept a renewal note or notes therefore, without the consent of any junior lien holder, and without the consent of the Mortgagor if the Mortgagor has then parted with title to the Real Estate. 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 or any guarantors or sureties of or for any of the Obligations. The Mortgagee, at its option and on such terms as it may desire, may release any part of the Real Estate from the lien of this Mortgage without impairing the lien of this Mortgage except as to the portion of the Real Estate expressly released and without releasing the Mortgagor or any guarantors or sureties of or for any of the Obligations. No delay by the Mortgagee in the exercise of any of its rights

under this Mortgage shall preclude the subsequent exercise thereof so long as any Default continues uncured, and no waiver by the Mortgagee of any Default of the Mortgagor shall operate as a waiver of subsequent or other Defaults. The making of any payment by the Mortgagee for any of the purposes herein permitted shall not constitute a wavier of any breach of the Mortgagor's covenant to perform such act. Notice by the Mortgagee of its intention to exercise any right or option under this Mortgage is expressly waived by the Mortgagor, and any one or more of the Mortgagee's rights or remedies under this Mortgage may be enforced successively or concurrently. Time is of the essence of this Mortgage.

5.05. State Law to Apply. This Mortgage shall be governed by and construed and enforced in all cases by the substantive laws of the State of Indiana, notwithstanding the fact that Indiana conflicts of law rules might otherwise require the substantive rules of law of another jurisdiction to apply.

5.06. Insufficiency of Proceeds. In the event the property pledged by this instrument is sold under foreclosure and the proceeds are insufficient to pay the total costs of said foreclosure and the indebtedness evidenced and secured by this instrument, the Mortgagee will be entitled to a deficiency judgment.

5.07. Parties Bound. This mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

5.08. Severability. In case any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5.09. Construction. The words "Mortgagor" and "Mortgagee" include singular or plural, individual or corporation, and the respective heirs, personal representatives, executors, administrators, successors, and assigns of the Mortgagor and the Mortgagee, as the case may be. The use of any gender applies to all genders. If more than one party is named as the Mortgagor, the Obligations hereunder of each such party is joint and several.

5.13. Captions. The captions herein are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Mortgage or any particular paragraph or section hereof, nor the proper construction hereof.



