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Citizens Federal
707 Redix
Munster

REAL ESTATE MORTGAGE AND HYPOTHECATION

THIS INDENTURE WITNESSETH, that Geneva Development Corp. (Mortgagor), mortgages and warrants to CITIZENS FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND, INDIANA, (Mortgagee), the following described real estate, to wit:

Lot 71 in Lakeview Estates Second Addition, Phase Two, to the Town of Schererville, as per Plat thereof, recorded in Plat Book 68, Page 47, in the office of the Recorder of Lake County, Indiana, commonly known as 2008 Huppenthal, Schererville, IN, 46375.

together with all rights, easements, privileges and appurtenances thereunto appertaining and all improvements now or hereafter placed on said property and all fixtures, equipment and appliances used in or in connection with said improvements, and the rents, issues and profits of said mortgaged premises. This mortgage is hereby hypothecated to secure the payment of the indebtedness owed by James B. Pulsa (Borrower), to Mortgagee in the principal sum of One Hundred Fifty Three Thousand Nine Hundred Dollars (\$153,900.00) and interest thereon, evidenced by Borrower's Note of even date herewith, payable according to the terms thereof, in installments, the last of which is payable on the 1st day of October, 1993, which sums of money hereby secured the Borrower has agreed to pay, without relief from valuation and appraisal laws, and with attorney's fees.

This Hypothecation is being made because Mortgagor has contracted with Borrower to construct a house on real estate owned by Mortgagor.

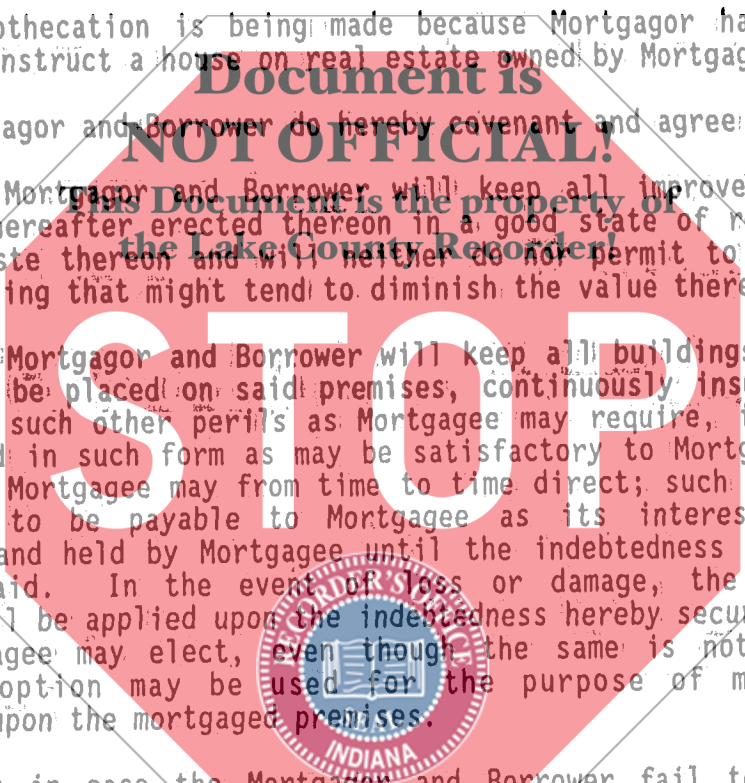
The Mortgagor and Borrower do hereby covenant and agree as follows:

1. The Mortgagor and Borrower will keep all improvements now on said premises; or hereafter erected thereon in a good state of repair and will not permit any waste thereon and will neither do nor permit to be done upon said premises anything that might tend to diminish the value thereof.

2. That Mortgagor and Borrower will keep all buildings which are now or may hereafter be placed on said premises, continuously insured against fire, windstorm and such other perils as Mortgagee may require, in such company or companies, and in such form as may be satisfactory to Mortgagee, and in such amount as the Mortgagee may from time to time direct; such policy or policies of insurance to be payable to Mortgagee as its interest may appear and delivered to and held by Mortgagee until the indebtedness hereby secured has been fully paid. In the event of loss or damage, the proceeds of said insurance shall be applied upon the indebtedness hereby secured, in such manner as the Mortgagee may elect, even though the same is not yet due, or the Mortgagee's option may be used for the purpose of making repairs or improvements upon the mortgaged premises.

3. That in case the Mortgagor and Borrower fail to pay any tax or assessment, or fail to keep the buildings on said premises in good repair and insured as above provided, the Mortgagee may pay such taxes, or assessments, or may redeem said premises from sale for taxes or assessments, make repairs or procure insurance, and may pay, remove or discharge any claim, lien or encumbrance, or may purchase any tax title or claim against said premises, and protect the title and possession thereof, in order to preserve the priority of the lien of this mortgage thereon, and may employ attorneys at law to perform any service connected with the mortgage, or to prosecute or defend any suit affecting or involving this mortgage or the title or possession of said premises, and that all moneys paid for any such purpose and all moneys paid out

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TICOR TITLE SERVICE, INC. SPANICE
Crown Point, Indiana

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SARAH M. WILSON
RECORDER
STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
0021
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by the Mortgagee to protect the lien of this Mortgage and the security intended to be effected hereby, shall be immediately due and payable and become so much additional indebtedness, secured by this mortgage, provided, however, that it shall not be obligatory upon the Mortgagee to advance funds for any of the purposes aforesaid, or to inquire into the validity of such taxes or assessments, or tax sale (the receipts of the proper officers being conclusive evidence of the validity and amount thereof) or into the necessity of such repairs.

4. That if default be made in the performance of any of the covenants or agreements herein or in said Note contained, on the part of the Mortgagor or Borrower to be kept and performed, then the whole of said indebtedness secured hereby, including all payments for liens, taxes, assessments, insurance, attorneys' fees, costs, charges or expenses, shall, at the election of the Mortgagee, and without notice of such election, at once become and be due and payable at the place of payment aforesaid, anything in said Note or herein to the contrary, notwithstanding and thereupon the Mortgagee shall have the right (either with or without process of law, using such force as may be necessary) to enter upon and possess, hold and enjoy said property, and to lease the same or any part thereof upon such terms as it shall deem best, and to collect and receive all the rents, issues and profits thereof, and to make alterations, improvements and repairs, effect insurance, pay taxes, assessments and do such all other things as may be deemed necessary for the proper protection of the property; and the Mortgagee shall have the right to foreclose this Mortgage and shall have all the other rights and remedies that the law provides.

If any installment under the Note is not paid when due, the unpaid principal balance shall bear interest during the period of delinquency at a rate three percent (3%) per annum higher than the effective interest rate for the Note, or, if such increased rate of interest may not be collected from the Borrower, under applicable law, then the maximum increased rate of interest, if any, which may be collected from the Borrower under applicable law; and, at the option of the Lender, the entire principal amount outstanding hereunder and accrued interest thereon shall become due and payable upon a fifteen (15) day written notice to the Borrower. Failure to exercise such option shall not constitute a waiver of the right to exercise such option if the Borrower is in default hereunder. In the event of any default in the payment of the Note, and if same is referred to any attorney at law for collection or suit is brought hereon, the Borrower shall pay to Lender, in either case, all expenses and costs of collection, including, but not limited to, attorney's fees.

5. That upon commencement of any foreclosure, or at any time thereafter, and prior to the expiration of the time for redemption from any sale of said premises on foreclosure, any court of contempt jurisdiction, upon application of the Mortgagee, may appoint a receiver for said premises to take possession thereof, to collect the rents, issues and profits therefrom during the pendency of such foreclosure, and until the time to redeem the same from foreclosure sale shall have expired, and out of rents issues and profits, to make necessary repairs and to keep the said premises in proper condition and repair, and to pay all taxes, or assessments, to redeem from tax or assessment sales, to pay insurance premiums necessary to keep said premises insured in accordance with the provisions of this Mortgage and to pay the expense of the receivership, and said receiver shall apply the net proceeds to the payment of the indebtedness secured hereby, and such receiver shall have all the other usual powers of receivers in such cases.

6. That in case suit be brought to foreclose this Mortgage, a reasonable sum shall be allowed to the Mortgagee in such proceeding for attorney's fees, title or other expense incident to such foreclosure proceeding, which several sums shall be so much additional indebtedness secured hereby, and shall be recoverable as such whether the suit proceeds to decree or not and shall be included in the decree entered in such foreclosure.

7. That the Mortgagee, at its option, may extend the maturity of the Note and indebtedness secured hereby, or any balance due thereon, from time to time, upon written agreement executed by the Mortgagor and Borrower for such further periods, at such rate of interest, and upon such condition as may then be agreed upon, and no such extension, and no forbearance or delay of the Mortgagee in enforcing any of the provisions of this indenture, shall operate to impair the lien thereof or waive any rights accrued or that might accrue hereunder.

8. That in the event the mortgaged property or any part thereof, be taken by condemnation, the Mortgagee is hereby empowered to collect and receive all compensation which may be paid for damages to any property not taken, and all condemnation money so received shall at Mortgagee's election, be applied either to the reduction of the indebtedness hereby secured, or to the repair and restoration of any property so damaged, provided that any excess over the amount of the indebtedness shall be delivered to the Mortgagor.

9. That Mortgagor hereby assigns to Mortgagee as additional and collateral security for the indebtedness hereinbefore described, all of the rents, issues and profits accruing under any leases now on said property, or which may hereafter be placed thereon, and all leasees or sub-leasees are hereby directed, upon demand of Mortgagee, to pay said rents, issues and profits direct to Mortgagee, this assignment to become null and void upon release of this Mortgage, PROVIDED, however, this assignment shall become effective only upon default by Borrower in making payment of any installments of the Note hereby secured or in the performance of any of the terms and conditions of this Mortgage.

10. That Mortgagor will not sell or convey the mortgage premises so long as any part of the indebtedness hereby secured remains unpaid, without the written consent of the Mortgagee, and that a violation of this provision will, at the option of the Mortgagee and without notice, accelerate maturity of the indebtedness hereby secured and cause the entire unpaid balance thereof to become immediately due and payable.

11. That each right, power and remedy herein conferred upon the Mortgagee is cumulative of every other right or remedy of the Mortgagee, whether herein or by law conferred, and may be enforced concurrently therewith, that no waiver by the Mortgagee of performance of any covenant herein or in said obligation contained shall thereafter in any manner affect the right of Mortgagee to require to enforce performance of the same or any other of said covenants; that whenever the context hereof requires, the masculine gender, as used herein, shall include the feminine and the neuter and the singular number, as used herein, shall include the plural; that all rights and obligations under this Mortgage shall extend to and be binding upon the respective heirs, executors, administrators, successors and assigns of the Mortgagor, and the successors and assigns of the Mortgagee; and that the power herein mentioned may be exercised as often as occasion therefor arises.

12. This instrument is executed by Mortgagor, Geneva Development Corp. and it is expressly understood and agreed that nothing contained herein or in the Note which this instrument secures shall be construed as creating any liability on Mortgagor personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing thereunder, or to perform any covenant, either expressed or implied herein contained (it being understood and agreed that each of the provisions hereof shall constitute a condition and not a covenant or agreement, regardless of whether the same may be couched in language of a promise or covenant or agreement), 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 Mortgagor and its successors are concerned, the holders and the owner or owners of any indebtedness accruing hereunder shall look solely to any one or more of: (i) the property and the rents, issues and profits thereof, for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and the Note provided; (ii) any other security given to secure said indebtedness; or (iii) the personal liability of the makers of the Note.

DATED at Munster, Indiana this 15th day of March, 1993.

GENEVA DEVELOPMENT CORP.

BY:

Angela J. Giordano
Angela J. Giordano, President

ACKNOWLEDGMENT

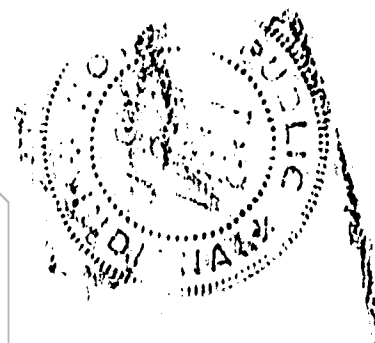
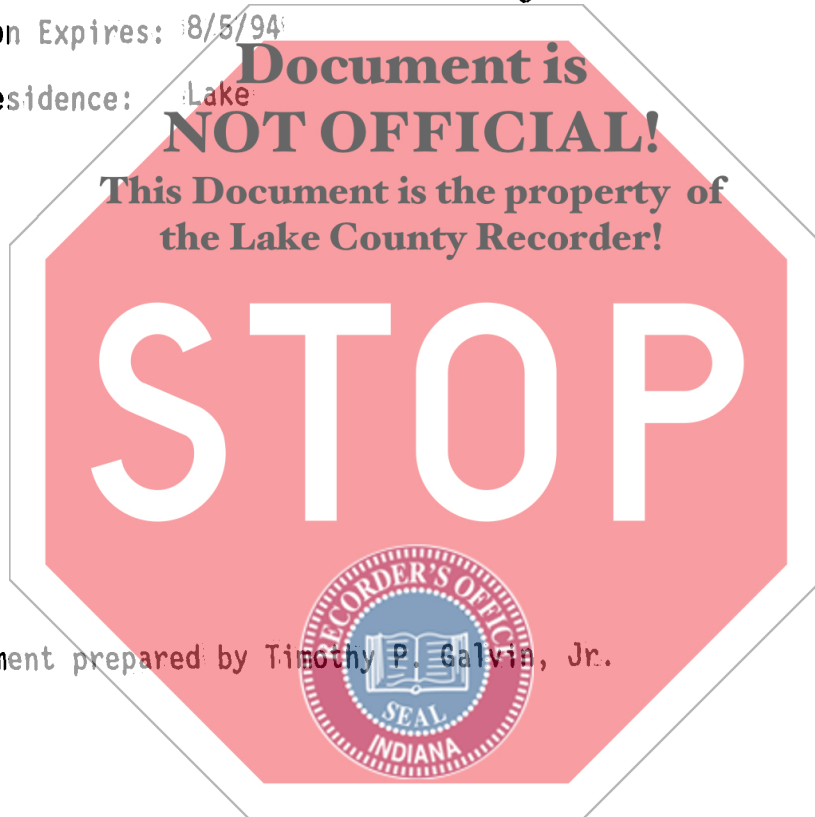
STATE OF Indiana)
COUNTY OF Lake) SS:

Before me a Notary Public in and for said County and State personally appeared Geneva Development Corp. by Angela J. Giordano, President and acknowledged execution of the foregoing instrument.

WITNESS my hand and official seal this 15th day of March, 1993.

Jan McGrath
Jan McGrath NOTARY PUBLIC

My Commission Expires: 8/5/94
County of Residence: Lake



This instrument prepared by Timothy P. Galvin, Jr.