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TWCOR-M.O.

BANK ONE

REAL ESTATE MORTGAGE AND SECURITY AGREEMENT (FIXTURE FILING)

HORIZON DEVELOPMENT OF INDIANA, INC.

6374 Marshall St.

(mailing address: Merrillville, IN 46410), ("Mortgagors") of Lake

County, State of Indiana, MORTGAGE AND WARRANT to BANK ONE, MERRILLVILLE, National Association ("Bank"), the following described real estate ("Mortgaged Premises") in Lake County, Indiana: Lot 1154 in Lakes of the Four Seasons, Unit no. 8, as per plat thereof, recorded in Plat Book 38 page 88, in the Office of the Recorder of Lake County, Indiana.

a/k/a 3175 Eastwind Ct., Crown Point, IN 46307

SEE EXHIBIT "A" attached hereto and incorporated herein by this reference.

TOGETHER WITH all improvements now or hereafter situated on or used in connection with the Mortgaged Premises and all rights, privileges, interest, easements, hereditaments and appurtenances thereunto belonging or in any wise pertaining thereto, and all fixtures, personal property, and building materials now or subsequently attached to or in any way used in connection with the Mortgaged Premises, and the rents, issues, income, uses and profits of the Mortgaged Premises.

This Mortgage is given to secure the performance of all provisions hereof and to further secure the repayment of a certain Master Note, in the principal sum of \$109,600.00, dated January 7, 1994 and executed by HORIZON DEVELOPMENT OF INDIANA, INC., including all extensions, modifications or renewals thereof.

Multiple advances will be made hereunder, and this Mortgage shall secure all such future advances, the total of which shall not exceed the sum of \$109,600.00.

The Mortgagors jointly and severally covenant and agree with the Bank that:

1. Mortgagors will pay when due all indebtedness secured hereby, on the dates and in the amounts, respectively, as provided in the Note(s) and in this Mortgage, with attorneys' fees, and without relief from valuation or appraisal laws.
2. Mortgagors will not permit any lien or mechanics or materialmen to attach to the Mortgaged Premises.
3. Mortgagors will keep the Mortgaged Premises in good repair, and will not commit or permit waste thereon, and will pay when due all taxes and assessments levied or assessed against the Mortgaged Premises or any part thereof.
4. Mortgagors are constructing improvements upon the Mortgaged Premises under plans and specifications adopted by them. Mortgagors agree to apply all Advances to them under this Mortgage upon the cost of such construction and agree not to abandon such construction, but to complete the same within a reasonable time, and in any event by August 7, 1994; and agree that their default under any agreement contained in this Mortgage shall terminate the obligation of Bank thereafter to make further Advances.

IN WITNESS WHEREOF, the Mortgagors have caused this Mortgage to be executed this 7th day of January, 1994.

HORIZON DEVELOPMENT OF INDIANA, INC., an Indiana corporation



By: Gregory S. Burke, President

STATE OF INDIANA)
COUNTY OF Lake) ss:

Before me, a Notary Public in and for said County and State, this 7th day of January, 1994, Gregory S. Burke, President of HORIZON DEVELOPMENT OF INDIANA, INC. personally appeared and acknowledged the execution of the foregoing Mortgage.

I hereby certify that I am not an officer or director of Bank.

Witness my hand and Notarial Seal.

Signature

Paula Barrick

Printed Name PAULA BARRICK

Notary Public

My Commission Expires: 10-2-97

My County of Residence: LAKE

This instrument was prepared by David S. Randazzo, Loan Officer

Return to: Bank One Merrillville, NA
Loan Processing
1000 E. 80th Place
Merrillville, IN 46410

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BORROWER AGREES THAT THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE HEREOF SHALL CONSTITUTE A PART OF THIS MORTGAGE AND ARE INCORPORATED HEREIN.

CONSTRUCTION MORTGAGE

ORIGINAL (WHITE)

BORROWER'S COPY (CANARY)

FILE COPY (PINK)

5. Mortgagors will procure and maintain in effect at all times adequate insurance in reliable insurance companies acceptable to the Bank against loss or destruction of the Mortgaged Premises on account of fire, windstorm and such other hazards and in such amounts as the Bank may require from time to time, and all such policies of insurance shall contain proper clauses making all sums recoverable upon such policies payable to the Bank and to the Mortgagors as their respective interests may appear; all such policies of insurance and all abstracts of title or title insurance policies with respect to the Mortgaged Premises shall be delivered to and retained by the Bank until the indebtedness secured hereby is fully paid.

After said last-mentioned date, completion of any then unfinished portion(s) of said construction shall be deemed "necessary to protect and preserve the security intended to be given by this Mortgage", within the meaning of paragraph "5" above; and Bank is hereby granted such rights of entry, and other rights, as may be then necessary to complete such construction.

6. Bank may, at its option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Mortgage; and all sums so advanced and paid by Bank shall become a part of the indebtedness secured hereby and shall bear interest from date of payment at the same rate or rates as the principal indebtedness evidenced by the Note(s); and such sums may include; but not by way of limitation, (i) insurance premiums, taxes and assessments, and liens which may be or become prior and senior to this Mortgage as a lien on the Mortgage Premises, or any part thereof; (ii) the cost of any abstracts of title, surveys, or other evidence which in the discretion of Bank may be required to establish and preserve the lien of this Mortgage; (iii) all costs, expenses and attorneys' fees incurred by Bank in respect of any and all legal or equitable actions which relate to this Mortgage or to the Mortgaged Premises, during the existence of the indebtedness secured by this Mortgage; and (iv) the cost of any repairs deemed necessary and advisable by Bank to be made to the Mortgaged Premises.

7. Bank shall be subrogated to the rights of the holder of each lien or claim paid with moneys secured hereby. If any default shall occur in the payment of any installment of indebtedness secured hereby, or in the performance of any covenant or agreement of Mortgagors hereunder, or if Mortgagors shall abandon the Mortgaged Premises, or shall be adjudged bankrupt, or if a trustee or receiver shall be appointed for Mortgagors or for a major part of the Mortgaged Premises, then and in any such event all indebtedness secured hereby shall, at the option of Bank, become immediately due and payable without notice to Mortgagors, and this Mortgage may be foreclosed accordingly. The waiver by Bank of any default of Mortgagors shall not operate as a waiver of other defaults. Notice by Bank of its intention to exercise any right or option hereunder is hereby expressly waived by Mortgagors, and any one or more of Bank's rights or remedies hereunder may be enforced successively or concurrently. Any delay in enforcing any such right or remedy shall not prevent its later enforcement, while Mortgagors shall be in default hereunder. In the event of the foreclosure of this Mortgage, all abstracts of title and all title insurance policies for the Mortgaged Premises shall become the absolute property of Bank.

8. All rights and obligations of Mortgagors hereunder shall extend to and be binding upon the several heirs, representatives, successors and assigns of Mortgagors, and shall inure to the benefit of Bank, its successors and assigns. In the event this Mortgage is executed by only one person or corporation, the word "Mortgagors" as used herein shall be construed to mean "Mortgagor", and the terms and provisions of this Mortgage construed accordingly.

9. The Bank, at its option, may extend the time for the payment of the Note(s), or reduce the payments thereon, or accept a renewal Note(s) therefor, without the consent of any junior lienholder, and without the consent of the Mortgagors if the Mortgagors have then parted with title to the Mortgaged Premises, and any such extension, reduction or renewal shall not 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 Mortgagors to the Bank.

10. This Mortgage shall be deemed a Security Agreement as defined in the Indiana Uniform Commercial Code for the fixtures, personal property, and building materials described in the "TOGETHER WITH" clause on page 1 of this Mortgage. Mortgagor further agrees that Bank may file any financing or continuation statements necessary to perfect or maintain its security interest in such personal property or fixtures signed solely by the Bank as the secured party.

11. This Mortgage secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land if applicable.