

189744
TICOR-M.D.

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

~~MORTGAGE~~
94082183

94 DEC - 6 AM 9:56

THIS MORTGAGE made this 30th day of November, 1994, between TIMOTHY S. FERREE and ELIZABETH A. FERREE, husband and wife, whose address is 7512 Hawk Court, Schererville, Indiana 46375 (herein "Mortgagor"), and HUB DEVELOPERS, an Indiana general partnership, having its principal office in Hammond, Indiana (herein "Mortgagee").

WITNESSETH:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Mortgagor does hereby grant, mortgage, warrant, and convey, with mortgage covenants, to Mortgagee that real estate situated in Lake County, State of Indiana, described as follows:

LOT 20 IN HUB INDUSTRIAL PARK, IN THE CITY OF CROWN POINT, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 48, PAGE 75, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

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 profits and other income of the Real Estate, which said rents and profits are now and hereby assigned to Mortgagee.

ARTICLE 1. INDEBTEDNESS SECURED

This Mortgage is given to secure the following:

Section 1. The payment of that certain Installment Note by Mortgagor in favor of Mortgagee of even date herewith in the original principal amount of \$28,000.00 with any unpaid balance of principal and interest being due and payable on or before the 1st day of November, 1997.

Section 2. Any renewal, extension, modification, refinancing or replacement of the indebtedness referred to in section 1.1., above.

Section 3. All interest, attorney fees, and costs of collection with respect to the obligations referred to in sections 1.1 and 1.2 above, together with any extensions or renewals thereof.

Section 4. The performance by Mortgagor of all Mortgagor's covenants, agreements, promises, payments and conditions contained in this Mortgage agreement.

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

ARTICLE 2. COVENANTS

Mortgagor hereby covenants and agrees with Mortgagee as follows:

Section 1. Security Agreement. Mortgagor hereby grants to Mortgagee a security interest in all fixtures currently attached to the Real Estate and in and to all property to be attached or affixed to such Real Estate in the future including, but not necessarily limited to, all heating, ventilation and air conditioning equipment including related electrical components and duct work, all electrical wiring and equipment attached to or incorporated into the Real Estate, all shelving and storage devices

affixed or attached to the Real Estate and all equipment or machinery attached to or affixed to such Real Estate. This Mortgage is hereby deemed a Security Agreement under the Uniform Commercial Code for the purpose of hereby creating a security interest in the aforementioned property.

Section 2. 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.

Section 3. 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 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. All policies of insurance required hereunder shall be in such form and by such companies, as the Mortgagee may accept, and shall contain a mortgagee clause acceptable to the Mortgagee, with loss payable to the Mortgagor and the Mortgagee as their interests may appear and shall provide that no act or omission of Mortgagor or any other person shall affect the right of Mortgagee to be paid the insurance proceeds pertaining to the loss or damage of the insured property. Such policies shall require the insurance company to provide Mortgagee with at least thirty (30) days' written notice before such policies are altered or canceled in any manner. The Mortgagor will promptly pay when due any premiums on any policy or policies of insurance required hereunder, and will deliver to the Mortgagee renewals of such policy or policies at least ten (10) days prior to the expiration date(s) thereof, the said policies and renewals to be marked "paid" by the issuing company or agent.

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.

Section 4. 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, in a manner acceptable to such taxing authorities 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; provided, however, that if the Mortgagor shall in good faith, and by proper legal action, contest any such taxes, claims, liens, encumbrances or other

charges or the validity thereof, and shall have established on its books or by deposit of cash with the Mortgagee (as the Mortgagee may elect), a reserve for the payment thereof in such amount as the Mortgagee may require, then the Mortgagor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and as long as such contest operates to prevent collection, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor.

Section 5. Payment of Future Taxes. If at any time the United States Government or any other federal, state, or municipal government or subdivision thereof shall require internal revenue or other documentary stamps or tax on this Mortgage or the indebtedness secured hereby, upon demand the Mortgagor shall pay for same; and on failure to make such payment within fifteen (15) days after demand for same, the Mortgagee may pay for such stamps and add the amount so paid to the principal indebtedness evidenced by the note and secured by this Mortgage, and said additional principal shall bear interest at the rate applicable to the note secured hereby.

Section 6. Compliance with Ordinances. The Mortgagor shall comply with any municipal ordinance or regulation affecting the Real Estate within thirty (30) days after notice thereof; provided, however, that if the Mortgagor shall in good faith, and by proper legal action, contest any such ordinance or regulation, or the validity thereof, then the Mortgagor shall not be required to comply therewith so long as such contest operates to prevent enforcement, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor.

Section 7. Personal Liability. The Mortgagor agrees to pay all indebtedness secured by this Mortgage in accordance with its terms and with the terms of any note or other obligation secured hereby.

Section 8. Wetlands Protection. Mortgagor agrees at all times while this Mortgage shall remain in effect it shall not disturb any wetlands (as that term is defined in the Clean Water Act) which comprise a part of the Real Estate so as to violate the Clean Water Act or any other federal, state or local law, regulation, ordinance or code applicable to the preservation of wetlands.

Section 9. Environmental Covenants. Mortgagor represents and warrants that it will not use, generate, treat, store, dispose of or otherwise introduce any hazardous substance [as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601(14)] into or on the Property. Mortgagor represents and warrants that there will be no future, unlawful physical (including environmental, natural, artificial, structural or chemical) hazard or potential hazard (including, without limitation, the presence, accumulation or storage of any toxin, toxic waste, toxic effluent or discharge) condition in, on or affecting the Property or the health of persons in or about the Property. Mortgagor covenants and agrees to indemnify, defend and save harmless Lender from all liability, claims, obligations, losses, damages, actions, cases of action, costs and expenses (including, without limitation, reasonable attorneys' fees) which may arise or occur because of Mortgagor's breach of the aforesaid representations and warranties.

Mortgagor has not violated and shall not violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property (including, but not limited to, those governing Hazardous Materials) or Lender's rights or interest in the Property pursuant to this Instrument. Mortgagor agrees that Mortgagee (which term as used in this section 2.9 shall include Mortgagee's designated agent or representative) shall have

the right to conduct periodic environmental inspections of the Real Estate upon reasonable notification to Mortgagor.

ARTICLE 3. DEFAULT AND BREACH

Section 1. Events of Default. The occurrence of any one or more of the following events shall constitute a default under this Mortgage:

- a. Mortgagor's breach of any covenant or agreement of Mortgagor contained in this Mortgage.
- b. Any event defined as an event of default in any note secured hereby, the terms and conditions of which are incorporated herein by reference and made a part hereof.

Section 2. Foreclosure on Default. Upon the occurrence of any one or more of said Events of Default, the entire unpaid balance on the principal, the accrued interest, and all other sums secured by this Mortgage, shall, at the option of the Mortgagee, become immediately due and payable without notice or demand, and in any such Event of Default the Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes. Any failure to exercise said option shall not constitute a waiver of the right to exercise the option at any other time. In any such proceeding, there shall be allowed and included, as additional indebtedness in the judgment, all expenses which may be paid or incurred by or on behalf of the Mortgagee for the attorney's fees, outlays for documentary evidence, costs of abstracts of title, title searches, environmental audits, surveys, title insurance policies, and any other expenses which the Mortgagee may deem reasonably necessary to prosecute such suit or to maintain the sale pursuant to the judgment. The proceeds of any foreclosure sale shall be applied first, to the payment of all costs arising from the foreclosure proceedings; second, to the payment of all items other than principal and interest which are secured indebtedness under this Mortgage; third, to the payment of the unpaid principal and interest under the note; fourth, to the payment of any other obligations or indebtedness, whether in the form of principal, interest, or other forms of indebtedness, which obligations and indebtedness are secured by this Mortgage; and fifth, any surplus to the Mortgagor, his successors, or assigns.

Section 3. Possession and Receivership. The Mortgagee shall have the right in any proceeding to foreclose this Mortgage to the appointment of a receiver to collect the rents, issues, income, and profits of the Real Estate and apply them to the payment of the indebtedness, interest, attorney's fees and costs, and any other payments required by any note secured by this Mortgage or this Mortgage, without notice and without regard to the adequacy of the Real Estate to secure the indebtedness. Or, instead of such receivership, the Mortgagee may, at its option itself take immediate possession, control and/or management of the Real Estate during the period of redemption, and collect the rents and apply them in the manner set forth above and do such other things as Mortgagee deems necessary to protect its interests in the Real Estate or to obtain satisfaction of the indebtedness secured by this Mortgage.

Section 4. 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 thereunder, 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 rate of interest specified in the note secured hereby, shall be so much additional indebtedness secured hereby and shall immediately become due and payable without notice. 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.

Section 5. 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 hereby assigns to the Mortgagee all leases already in existence and to be created in the future, together with all rents to become due under existing or future leases. The Mortgagor hereby confers on the Mortgagee the exclusive power, to be used or not be used in its sole discretion, to act as agent, or to appoint a third person to act as agent for the Mortgagor, with power to take possession of, and collect all rents arising from, the Real Estate and apply such rents, at the option of the Mortgagee, to the payment of the mortgage debt, taxes, costs of maintenance, repairs, expenses incident to managing, and other expenses, in such order of priority as the Mortgagee may in its sole discretion determine, and to turn any balance remaining over to the Mortgagor; but such collection of rents shall not operate as an affirmation of the tenant or lease in the event the Mortgagor's title to the Real Estate should be acquired by the Mortgagee. The Mortgagee shall be liable to account only for rents and profits actually received by the Mortgagee. In exercising any of the powers contained in this section, the Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in or on the Real Estate and used by the Mortgagor in the 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. Mortgagor agrees that if a default occurs, Mortgagee may immediately notify any lessee of the Real Estate of such default and direct that all rental payments be paid directly to Mortgagee pursuant to this assignment. Mortgagor hereby directs each such lessee of the Real Estate to make all rental payments required to be made under the terms of any lease directly to Mortgagee, or at such other place as the Mortgagee may from time to time specify.

ARTICLE 4. SATISFACTION AND RELEASE

Section 1. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage.

Section 2. Transfer of Real Estate by Mortgagor. Without the prior approval of Mortgagee, which approval shall not be unreasonably withheld, 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 mortgaged 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 or the elapse of any period of grace or the right to cure, shall have the right to declare all sums secured hereby immediately due and payable and, upon failure by the Mortgagor to make such payment within thirty (30) days of written demand therefor, the Mortgagee shall have the right to exercise all remedies provided in any note, this mortgage, or otherwise at law.

ARTICLE 5. MISCELLANEOUS

Section 1. 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.

Section 2. 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 therefor 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.

Section 3. Lawful Rates of Interest. All agreements between the Mortgagor and the Mortgagee are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Mortgagee for the use, forbearance, or detention of the money due under any Note secured hereby exceed the maximum amount permissible under applicable law. If, due to any circumstances whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances the Mortgagee should ever receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the note secured hereby and not to the payment of interest.

Section 4. State Law to Apply. This mortgage shall be construed under and in accordance with the laws of the State of Indiana.

Section 5. 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 where permitted by this mortgage.

Section 6. 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.

Section 7. Time of Essence. Time is of the essence of this Mortgage.

Section 8. 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 obligation hereunder of each such party is joint and several.

Section 9. 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.

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This Mortgage has been executed and delivered on the date first stated.

MORTGAGOR:

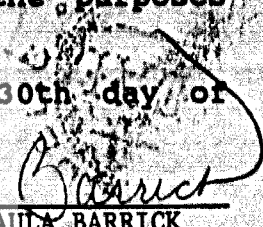

TIMOTHY S. FERREE


ELIZABETH A. FERREE

STATE OF INDIANA)
) S.S.
COUNTY OF LAKE)

The undersigned, Notary Public in and for the State and County aforesaid, certify that TIMOTHY S. FERREE and ELIZABETH A. FERREE, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered this instrument as their free and voluntary act, for the purposes therein set forth.

Given under my hand and official seal this 30th day of November, 1994.

Document is NOT OFFICIAL
This Document is the property of the Lake County Recorder

NOTARY PUBLIC PAULA BARRICK

My commission expires: 10-2-97
County of Residence: LAKE



This instrument prepared by:
WILLIAM G. CRABTREE II
GALVIN, GALVIN & LEENEY
5231 Hohman Avenue, Suite 717
Hammond, Indiana 46320
Tel: (219) 933-0380

affixed or attached to the Real Estate and all equipment or machinery attached to or affixed to such Real Estate. This Mortgage is hereby deemed a Security Agreement under the Uniform Commercial Code for the purpose of hereby creating a security interest in the aforementioned property.

Section 2. 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.

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charges or the validity thereof, and shall have established on its books or by deposit of cash with the Mortgagee (as the Mortgagee may elect), a reserve for the payment thereof in such amount as the Mortgagee may require, then the Mortgagor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and as long as such contest operates to prevent collection, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor.

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Section 7. Personal Liability. The Mortgagor agrees to pay all indebtedness secured by this Mortgage in accordance with its terms and with the terms of any note or other obligation secured hereby.

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Section 9. Environmental Covenants. Mortgagor represents and warrants that it will not use, generate, treat, store, dispose of or otherwise introduce any hazardous substance [as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601(14)] into or on the Property. Mortgagor represents and warrants that there will be no future, unlawful physical (including environmental, natural, artificial, structural or chemical) hazard or potential hazard (including, without limitation, the presence, accumulation or storage of any toxin, toxic waste, toxic effluent or discharge) condition in, on or affecting the Property or the health of persons in or about the Property. Mortgagor covenants and agrees to indemnify, defend and save harmless Lender from all liability, claims, obligations, losses, damages, actions, cases of action, costs and expenses (including, without limitation, reasonable attorneys' fees) which may arise or occur because of Mortgagor's breach of the aforesaid representations and warranties.

Mortgagor has not violated and shall not violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property (including, but not limited to, those governing Hazardous Materials) or Lender's rights or interest in the Property pursuant to this Instrument. Mortgagor agrees that Mortgagee (which term as used in this section 2.9 shall include Mortgagee's designated agent or representative) shall have

the right to conduct periodic environmental inspections of the Real Estate upon reasonable notification to Mortgagor.

ARTICLE 3. DEFAULT AND BREACH

Section 1. Events of Default. The occurrence of any one or more of the following events shall constitute a default under this Mortgage:

- a. Mortgagor's breach of any covenant or agreement of Mortgagor contained in this Mortgage.
- b. Any event defined as an event of default in any note secured hereby, the terms and conditions of which are incorporated herein by reference and made a part hereof.

Section 2. Foreclosure on Default. Upon the occurrence of any one or more of said Events of Default, the entire unpaid balance on the principal, the accrued interest, and all other sums secured by this Mortgage, shall, at the option of the Mortgagee, become immediately due and payable without notice or demand, and in any such Event of Default the Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes. Any failure to exercise said option shall not constitute a waiver of the right to exercise the option at any other time. In any such proceeding, there shall be allowed and included, as additional indebtedness in the judgment, all expenses which may be paid or incurred by or on behalf of the Mortgagee for the attorney's fees, outlays for documentary evidence, costs of abstracts of title, title searches, environmental audits, surveys, title insurance policies, and any other expenses which the Mortgagee may deem reasonably necessary to prosecute such suit or to maintain the sale pursuant to the judgment. The proceeds of any foreclosure sale shall be applied first, to the payment of all costs arising from the foreclosure proceedings; second, to the payment of all items other than principal and interest which are secured indebtedness under this Mortgage; third, to the payment of the unpaid principal and interest under the note; fourth, to the payment of any other obligations or indebtedness, whether in the form of principal, interest, or other forms of indebtedness, which obligations and indebtedness are secured by this Mortgage; and fifth, any surplus to the Mortgagor, his successors, or assigns.

Section 3. Possession and Receivership. The Mortgagee shall have the right in any proceeding to foreclose this Mortgage to the appointment of a receiver to collect the rents, issues, income, and profits of the Real Estate and apply them to the payment of the indebtedness, interest, attorney's fees and costs, and any other payments required by any note secured by this Mortgage or this Mortgage, without notice and without regard to the adequacy of the Real Estate to secure the indebtedness. Or, instead of such receivership, the Mortgagee may, at its option itself take immediate possession, control and/or management of the Real Estate during the period of redemption, and collect the rents and apply them in the manner set forth above and do such other things as Mortgagee deems necessary to protect its interests in the Real Estate or to obtain satisfaction of the indebtedness secured by this Mortgage.

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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 rate of interest specified in the note secured hereby, shall be so much additional indebtedness secured hereby and shall immediately become due and payable without notice. 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.

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ARTICLE 4. SATISFACTION AND RELEASE

Section 1. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage.

Section 2. Transfer of Real Estate by Mortgagor. Without the prior approval of Mortgagee, which approval shall not be unreasonably withheld, 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 mortgaged 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 or the elapse of any period of grace or the right to cure, shall have the right to declare all sums secured hereby immediately due and payable and, upon failure by the Mortgagor to make such payment within thirty (30) days of written demand therefor, the Mortgagee shall have the right to exercise all remedies provided in any note, this mortgage, or otherwise at law.

ARTICLE 5. MISCELLANEOUS

Section 1. 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.

Section 2. 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 therefor 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.

Section 3. Lawful Rates of Interest. All agreements between the Mortgagor and the Mortgagee are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Mortgagee for the use, forbearance, or detention of the money due under any Note secured hereby exceed the maximum amount permissible under applicable law. If, due to any circumstances whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances the Mortgagee should ever receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the note secured hereby and not to the payment of interest.

Section 4. State Law to Apply. This mortgage shall be construed under and in accordance with the laws of the State of Indiana.

Section 5. 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 where permitted by this mortgage.

Section 6. 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.

Section 7. Time of Essence. Time is of the essence of this Mortgage.

Section 8. 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 obligation hereunder of each such party is joint and several.

Section 9. 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.

[THIS SPACE INTENTIONALLY LEFT BLANK.]

This Mortgage has been executed and delivered on the date first stated.

MORTGAGOR:

Timothy S. Ferree
TIMOTHY S. FERREE

Elizabeth A. Ferree
ELIZABETH A. FERREE

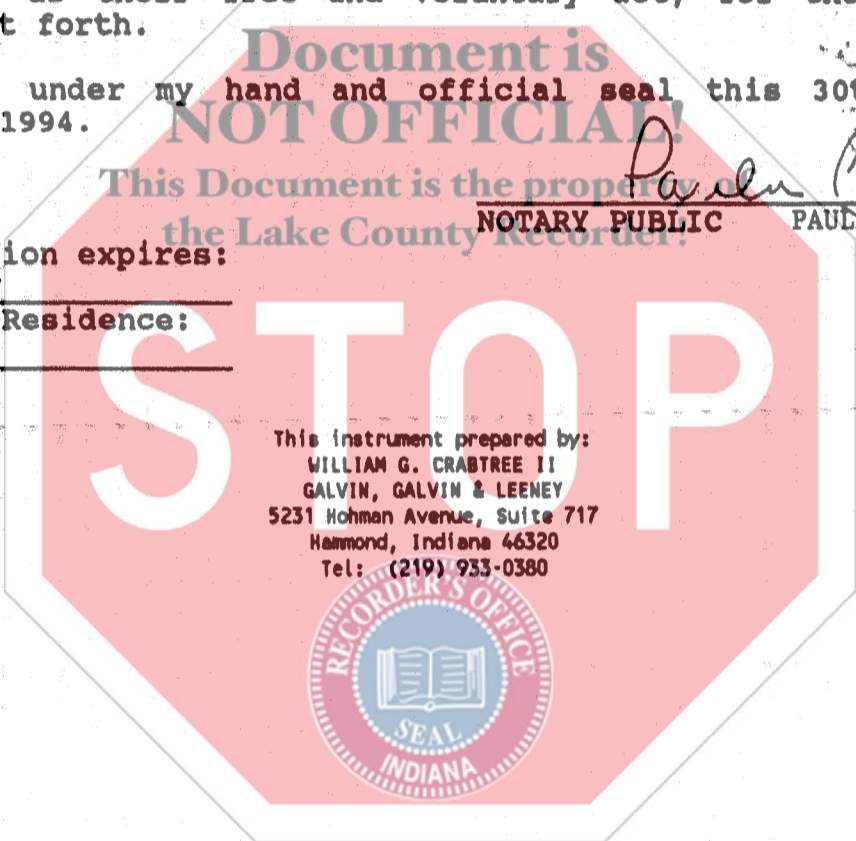
STATE OF INDIANA)
) S.S.
COUNTY OF LAKE)

The undersigned, Notary Public in and for the State and County aforesaid, certify that TIMOTHY S. FERREE and ELIZABETH A. FERREE, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered this instrument as their free and voluntary act, for the purposes therein set forth.

Given under my hand and official seal this 30th day of November, 1994.

Paula Barrick
NOTARY PUBLIC PAULA BARRICK

My commission expires:
10-2-97
County of Residence:
LAKE



This instrument prepared by:
WILLIAM G. CRABTREE II
GALVIN, GALVIN & LEENEY
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