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MORTGAGE

THIS AGREEMENT, made this 5th day of April, 1995, between **JAMES T. DERICO AND DORIS J. DERICO**, his wife, both of 416 W. 55th Lane, Merrillville, Indiana 46410, hereinafter referred to as "Mortgagors," and **DEBORAH D. FOSTER** of Indianapolis, Indiana, hereinafter referred to as "Mortgagee."

The following terms shall have the following definitions:

Note. The term "Note" means that certain secured promissory note dated as of even date herewith in the original principal amount of \$5,000 from Mortgagor to Mortgagee, together with all extensions, modifications and/or refinancings thereof.

Obligations. The term "Obligations" shall mean all of the liabilities and obligations of Mortgagors arising under this Mortgage or under the Note.

Property. The term "Property" means collectively the real property legally described as:

MEADOWLAND ESTATES UNIT NO. 2 ALL L. 19 BL. D and commonly known as 416 W. 55TH LANE, MERRILLVILLE, INDIANA 46410.

I. GRANT OF SECURITY INTEREST. In order to secure the due and timely payment and performance of the Obligations under this Mortgage and under the Note, the Mortgagors do hereby grant, sell, assign and transfer to Mortgagees, Mortgagors's entire interest in the Property,

The property tax identification number is 36-15-0246-0020.

This Mortgage is given and accepted on the following terms:

II. PAYMENT. Except as otherwise provided in this Mortgage, Mortgagors shall pay to Mortgagee all amounts secured by this Mortgage as they become due and shall strictly perform all of the Obligations.

III. TAXES. The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

Payment. Mortgagors shall pay when and as due (and in all events prior to delinquency) all taxes, water charges and sewer service charges levied against or on account of the Property.

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STATE OF INDIANA
LAKE COUNTY
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IV. INSURANCE.

Maintenance of Insurance. Mortgagors shall procure and maintain policies of fire, vandalism, and hazardous insurance.

V. FULL PERFORMANCE. If Mortgagors pay, perform and discharge all the Obligations when and as due, and otherwise performs all the Obligations, Mortgagee shall execute and deliver to Mortgagors evidence of the full satisfaction of this Mortgage.

VI. DEFAULT. Each of the following, at the option of Mortgagee, shall constitute an Event of Default ("Event of Default") under this Mortgage.

Default on Indebtedness. Failure of Mortgagors to make any payment when due on the Obligations.

Default on Other Payments. Failure of Mortgagors within the time required by this Mortgage to make any payment for taxes or insurance or any other payment necessary to prevent filing of or to effect discharge of any liens.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Mortgage or the Note.

Breaches. Any warranty, representation or statement made or furnished to Mortgagee by or on behalf of Mortgagors under this Mortgage or the Note is, or at the time made or furnished was, false in any material respect.

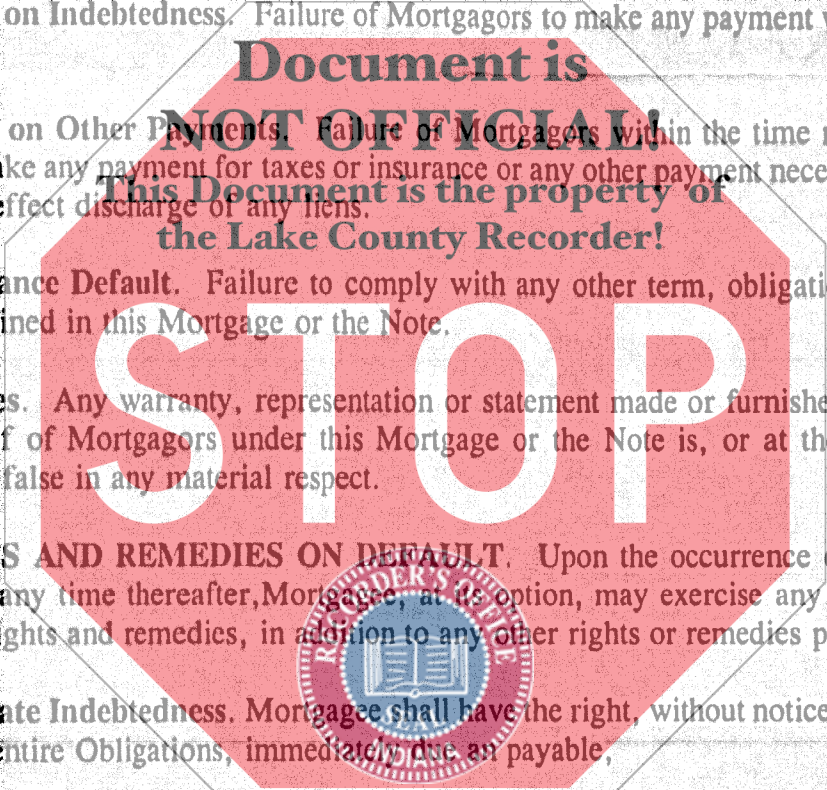
RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Mortgagee, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law.

Accelerate Indebtedness. Mortgagee shall have the right, without notice to Mortgagors, to declare the entire Obligations, immediately due and payable,

Judicial Foreclosure. Mortgagee may obtain a judicial decree foreclosing Mortgagors's interest in all or any part of the Mortgaged Property.

Deficiency Judgment. If permitted by applicable law, Mortgagee may obtain a judgment for any deficiency remaining on the Obligations due to Mortgagee after application of all amounts received from the exercise of the rights provided in this section.

Sale of the Property. To the extent permitted by applicable law, Mortgagors hereby waives any and all right to have the Mortgaged Property marshalled. In exercising its rights and remedies, Mortgagee shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Mortgagee shall be entitled to bid at any public sale on all or any portion of the Mortgaged Property.



Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision.

VII. NOTICES TO Mortgagors AND OTHER PARTIES. Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Mortgagors, shall be in writing and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, registered mail, postage prepaid, directed to the addressee.

VIII. MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with the Note constitutes the entire agreement of the parties as to the matters set forth in this Mortgage. No alteration or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Indiana.

Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns.

MORTGAGORS:

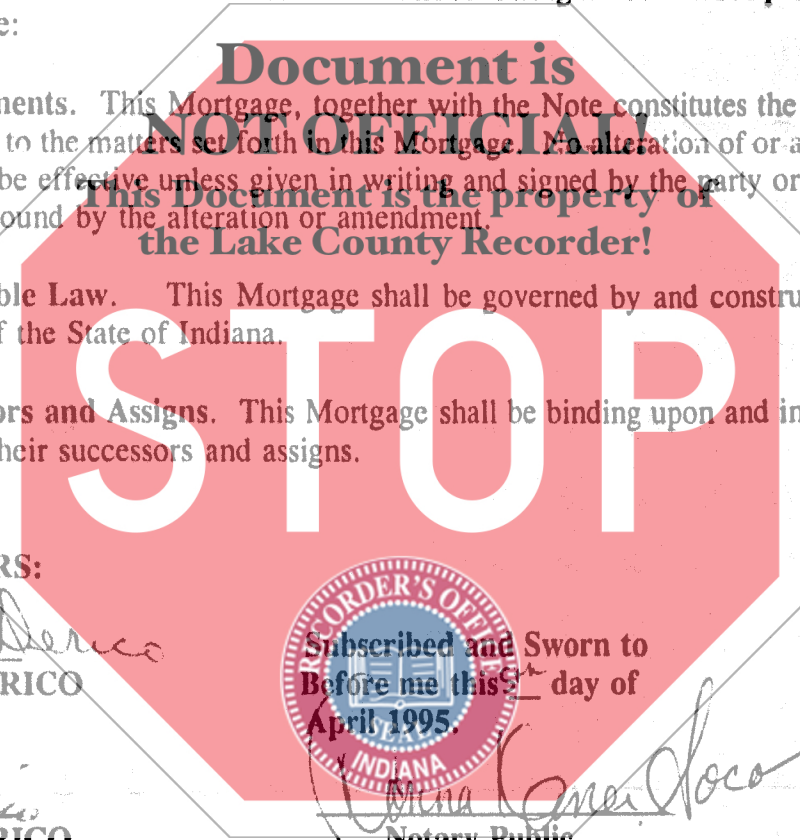
James T. Derico
JAMES T. DERICO

Doris J. Derico
DORIS J. DERICO



Subscribed and Sworn to
Before me this 5th day of
April 1995.

Wena [Signature]
Notary Public



After recording return to:

DERICO & ASSOCIATES, P.C. 2200
Three First National Plaza, Suite 1515
Chicago, Illinois 60602

