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Real Estate Mortgage
MORTGAGE AND WARRANT
RECORDER

This Indenture Witness, *That Lancor Incorporated, 829 E. Commercial Ave. Lowell,*
of Lake County in the State of Indiana MORTGAGE AND WARRANT to Monte J., and Jean
Ann Watt, Husband and Wife, 11411 W. 135th Place Cedar Lake, of Lake County in the
State of Indiana the following REAL ESTATE, in Lake County, in the State of Indiana to wit:

Legally described as follows;

Being a parcel of land lying in the Southwest Quarter of the Southwest Quarter of Section 29, Township 33 North, Range 9 West of the Second Principal Meridian, all in Lake County, Indiana, more particularly described as follows:
Commencing at the Northwest Corner of the Southwest Quarter of the Southwest Quarter of said Section 29, said point being the POINT OF BEGINNING; thence North 89°47'57" East, along the North line of the Southwest Quarter of the Southwest Quarter of said Section 29, a distance of 1326.11 feet; thence South 01°49'42" East, along the East line of the Southwest Quarter of the Southwest Quarter of said Section 29, a distance of 995.22 feet; thence South 89°48'31" West, a distance of 1325.70 feet to a point on the West line of said Section 29; thence North 01°51'07" West, along said West line, a distance of 995.01 feet, to the POINT OF BEGINNING, containing 30.2774 acres, more or less.

Tax Key # 1-78-17

To secure the payment, when due, of Promissory note, signed this 9th day of February 1996 by William Langen, president of Lancor Corporation, and Ila Langen, Secretary of Lancor Corporation.

and the mortgagor expressly agrees to pay the sum of money above secured, without relief from valuation or appraisal laws; and upon failure to pay any one of said notes, or any part thereof, at maturity, or the interest thereon, or any part thereof, when due or the taxes or insurance as hereinafter stipulated, then all of said notes are to be due and collectible, and this mortgage may be foreclosed accordingly. And it is further expressly agreed, that until all of said notes are paid, said mortgagor will keep all legal taxes and charges against said premises paid as they become due, and will keep the buildings thereon insured for the benefit of the mortgagee, as the interest may appear and the policy duly assigned to the mortgagee, to the amount of the unpaid balance and failing to do so, said mortgagee, may pay said taxes or insurance, and the amount so paid, with 12 per cent, interest thereon, shall be a part of the debt secured by this mortgage.

In Witness Whereof, the corporate officers of said mortgagor have hereunto set their hand and seal this 9th day of February 1996.

William Langen (Seal)
William Langen, President Lancor Corporation

Ila Langen (Seal)
Ila Langen, Secretary Lancor Corporation

Prepared by Monte J. Watt

1500
JA

PROMISSORY NOTE

\$100,000.00

Date: February 9, 1996

For value received, Lancor Incorporated (the "Promisor") promises to pay to the order of Monte J. & Jean Ann Watt (the "Payee"), at 11411 W 135th Place, Cedar Lake, IN, (or at such other place as the Payee may designate in writing) the sum of \$100,000.00 with interest from February 9th, 1996, on the unpaid principal at the rate of 12.00 percent annually, compounded monthly.

The unpaid principal and accrued interest shall be payable with an installment of \$20,000 on May 9th 1996 and an installment of \$20,000 on July 9th 1996 with the balance of the principal and interest being due one year from this day, or on the date of closing on the property this note is secured by.

Promisor agrees to pay the balance and accrued interest within 30 days of notice by Payee that prepayment is required. The Promisor waives presentment for payment, protest, and notice of protest and nonpayment of this Note.

If this Note is not paid by the Due Date, or if interest is not paid when due, the Promisor promises to pay all costs of collection, including reasonable attorney fees, whether or not a lawsuit is commenced as part of the collection process.

If any of the following events of default occur, this Note and any other obligations of the Promisor to the Payee, shall become due immediately, without demand or notice: 1) the failure of the Promisor to pay the principal and any accrued interest in full on or before the Due Date; 2) the desolving of Lancor Incorporated; 3) the filing of bankruptcy proceedings involving the Promisor as a Debtor; 4) the application for appointment of a receiver for the Promisor; 5) the making of a general assignment for the benefit of the Promisor's creditors; 6) the insolvency of the Promisor; or 7) the misrepresentation by the Promisor to the Payee for the purpose of obtaining or extending credit. In addition, the Promisor shall be in default if there is a sale, transfer, assignment, or any other disposition of any assets pledged as security for the payment of this Note.

This Note is secured by a Mortgage of the following real property:
Being a parcel of land lying in the Southwest Quarter of the Southwest Quarter of Section 29, Township 33 North, Range 9 West of the Second Principal Meridian, all in Lake County, Indiana, more particularly described as follows:
Commencing at the Northwest Corner of the Southwest Quarter of the Southwest Quarter of said Section 29, said point being the POINT OF BEGINNING; thence North 89°47'57" East, along the North line of the Southwest Quarter of the Southwest Quarter of said Section 29, a distance of 1326.11 feet; thence South 01°49'42" East, along the East line of the Southwest Quarter of the Southwest Quarter of said Section 29, a distance of 995.22 feet; thence South 89°48'31" West, a distance of 1325.70 feet to a point on the West line of said Section 29; thence North 01°51'07" West, along said West line, a distance of 995.01 feet, to the POINT OF BEGINNING, containing 30.2774 acres, more or less.

The Payee is not required to rely on the above security for the payment of this Note in the case of default, but may proceed directly against the Promisor(s).


No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor(s). All rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be in accordance with the laws of the State of Indiana.

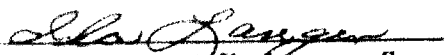
If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative.

All payments of principal and interest on this Note shall be paid in the legal currency of the United States.

Signed this 9th day of February 1996 at Lowell, Indiana.



William Langer, President Lancor Inc.



Ila Langer, Secretary Lancor Inc.