

492221 RDY 6990



STATE OF INDIANA
LAKE COUNTY

Indiana
Mortgage

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THIS MORTGAGE is made as of the 19th day of May, 1997, by Timothy F. Madden and Diane L. Madden 97035925 97 JUN - 5 AM 10:41

RECORDED

(the "Mortgagor") for the benefit of Norwest Bank Indiana, National Association, having its principal office at 601 Jackson Street, La Porte, IN 46350 (the "Mortgagee").

WITNESSETH, FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Mortgagor does hereby mortgage and warrant to Mortgagee the following described real estate situated in Lake County, Indiana:

Lot 4, Westbrook Unit No. 1, in the Town of Merrillville, as shown in Plat Book 43, Page 10, in Lake County, Indiana.

SUBJECT TO:

TOGETHER with all the buildings and improvements now or hereafter erected thereon, and all lighting, heating, ventilating, air-conditioning, sprinkling and plumbing fixtures, water and power systems, engines and machinery, boilers, ranges, ovens, dishwashers, carpeting, mirrors and mantels, furnaces, oil burners, elevators and motors, refrigeration plants or units, communication systems, dynamos, transformers, electrical equipment, storm and screen windows, doors, swings and shades and all other fixtures of every description now or hereafter found or used upon the property above described or appurtenant thereto, all of which, together with replacements and additions, shall be deemed fixtures and subject to the lien hereof, and together with all hereditaments, easements, appurtenances, rents, issues, profits, royalties and mineral, oil and gas rights now and hereafter pertaining to the Land (all of the foregoing, together with said real estate, to be referred to as the "Mortgaged Premises").

This Mortgage is given to secure one of the following:

- The payment of a promissory note given by the Mortgagor (or one of them) to the Mortgagee dated the 19th day of May, 1997, in the original amount of \$ 61,750.00 (the "Note");
- The payment of a guaranty given by the Mortgagor (or one of them) to the Mortgagee dated the _____ day of _____, 199____, guaranteeing the payment of current and future obligations and advances under a note, letter of credit, or other financial obligation of _____ (the "Borrower") to the Mortgagee in an unlimited amount, or up to a maximum amount of \$ _____ (either to be known as the "Guaranty");

together with any future modification, renewal, extension, replacement, or advance of indebtedness evidenced by the Note or Guaranty, which, together with any other indebtedness that the Mortgagor may from time to time owe to the Mortgagee, and the performance of the Mortgagor's covenants and agreements under this Mortgage (including those that result in the creation of indebtedness from the Mortgagor to the Mortgagee) shall be secured hereunder (to be collectively referred to as the "Obligation"), up to a maximum amount of \$ _____, together with interest, to the full extent permitted by IC §32-8-11-9.

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

Section 1. Waste and Maintenance of Premises. The Mortgagor shall abstain from and not permit the commission of waste in or about the Mortgaged Premises; shall not move nor demolish, nor alter the structural character of any building at any time erected on the Mortgaged Premises without the prior written consent of the Mortgagee; and shall maintain the Mortgaged Premises in good condition and repair, reasonable wear and tear excepted. The Mortgagee shall have the right, but not the duty, to enter upon the Mortgaged Premises at any reasonable hour to appraise the Mortgaged Premises or inspect the order, condition and repair thereof, including the interiors of any buildings and improvements located thereon.

Section 2. Insurance Obligation. The Mortgagor shall keep the buildings and other improvements now existing or hereafter erected on the Mortgaged Premises insured by insurance carriers satisfactory to the Mortgagee against loss by fire hazards included in the term "extended coverage"; and such other hazards, casualties and contingencies, including war damage insurance, as may be required by the Mortgagee, for the full replacement cost thereof and for such periods as may be required by the Mortgagee. The policy of such insurance shall be in a form acceptable to Mortgagee and shall not contain a defense based on coinsurance, and shall contain the standard provision that no act of the Mortgagor or of his agents or representatives will render the policy void as to the Mortgagee or affect the Mortgagee's right to recover in case of loss, and the policy or policies of insurance shall have loss payable provisions in favor of and in form acceptable to the Mortgagee. The Mortgagor shall pay all premiums on such insurance by making payment, when due, directly to the insurance carriers, or if the Mortgagee so designates, by making payment to the Mortgagee. The Mortgagee shall have the right to hold the policies and renewals thereof, and the Mortgagor shall promptly furnish to the Mortgagee all renewal notices and all paid premium receipts received by him. In no event shall the Mortgagee be held responsible for failure to pay for any insurance written or for any loss or damage insured against or for failure by the Mortgagee to effect the insurance required hereunder. In the event of loss, the Mortgagor shall give prompt notice by mail to the insurance carrier and the Mortgagee, and the Mortgagee may make proof of loss if not made promptly by the Mortgagor. The Mortgagor and Mortgagee shall jointly adjust the insurance; provided, however, that if it is not paid within 45 days following the damage or destruction it may be adjusted by the Mortgagee alone at any time after said 45 days period if, but only if, an Event of Default exists at the time of adjustment. The Mortgagee is authorized and empowered to collect and receive insurance proceeds, and to apply the insurance proceeds or any part thereof, at the sole discretion of the Mortgagee, to the restoration or repair of the Mortgaged Property damaged or to the reduction of the indebtedness secured hereby, in such order of application as the Mortgagee may determine. Any such application to the Obligation shall not extend or postpone the due date of the monthly installments referred to in the Obligation or change the amount of such installments. All policies of insurance and any and all refunds of unearned premiums are hereby assigned to the Mortgagee as additional security for the payment of the Obligation secured hereby. In the event of the foreclosure of this Mortgage, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale. The Mortgagor shall not maintain or permit to be maintained any insurance of the type referred to in this Section 2 with respect to the Mortgaged Property other than the insurance required under this Section 2. Notwithstanding anything contained in this section to the contrary, if this Mortgage is on a condominium or a town house and if there is a master insurance policy in force covering the common areas and facilities and all condominiums and town houses located in that development, then, until otherwise notified in writing by the Mortgagee, the Mortgagor shall have no obligation to maintain the insurance required hereunder. Whenever such insurance is in force (regardless of whether requested by the Mortgagee or not) the Mortgagor hereby authorizes the Mortgagee to cancel such insurance whenever the Mortgagee determines that such insurance does not adequately protect the Mortgagee's interest.

Section 3. 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 Mortgaged Premises or any part thereof, without any deduction or abatement, in a manner acceptable to such taxing authorities; 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 Mortgaged Premises with priority over 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 by deposit of cash with the Mortgagee 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, for so 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 4. 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 any note or other instrument constituting an Obligation hereunder, the Mortgagor shall pay for same, and if the Mortgagor fails to make such payment within fifteen (15) days after demand, the Mortgagee may pay for such stamps and change such payments the Mortgagor, which shall be secured by this Mortgage, and shall bear interest at the rate of eighteen percent (18%) per annum.

Section 5. Compliance with Ordinances. At all times the Mortgagor shall comply with each and every federal or state law or regulation or municipal ordinance pertaining to the Mortgaged Premises. In the event the Mortgagor receives actual or constructive notice that it is not in compliance with any such statute, regulation, or ordinance the Mortgagor shall cure such non-compliance within thirty (30) days after receipt of notice.

Section 6. Personal Liability. The Mortgagor agrees to pay all indebtedness secured by this Mortgage in accordance with its terms and with the terms of the Obligation.

Chicago Tide Insurance Company

Chicago Tide Insurance Company

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Section 7. Financial Statements. If the Mortgagor is one or more natural persons, Mortgagor shall deliver to Mortgagee, on or before April 15th of each year, a true and complete copy of a personal financial statement, in a form acceptable to Mortgagee, and with a true and complete copy of Mortgagor's federal income tax return.

If Mortgagor is not one or more natural persons, Mortgagor shall deliver to Mortgagee within sixty (60) days after each fiscal year a financial statement which shall be prepared in accordance with generally accepted accounting principles applied on a basis consistent with the preceding year's statements, which statement must contain, but shall not necessarily be limited to, the following: (i) balance sheet; (ii) a statement of profit and loss; (iii) a reconciliation of net worth; (iv) a sources and uses of funds statement; and (v) appropriate footnotes.

Section 8. Environmental Issues. Except as disclosed in writing to Mortgagee at closing and except where Mortgagor has obtained the requisite local, state and/or federal permits and approvals, Mortgagor does not and will not generate nor have in its possession any hazardous or toxic wastes, chemicals or other substances, the generation or possession of which are governed by local, state and/or environmental laws, ordinances, decrees, regulations and statutes (hereinafter "Environmental Wastes"). Mortgagor represents and warrants to Mortgagee that it is not presently the subject of any environmental inquiry, litigation, administrative proceeding or threat thereof by a governmental authority; furthermore, Mortgagor shall promptly notify Mortgagee of the same if any of the foregoing does occur. Mortgagor also represents and warrants to Mortgagee that it is not subject to any judgment, decree, order or citation relating to or arising out of a violation of local, state or federal environmental laws or regulations. Mortgagor shall also provide Mortgagee with copies of all appropriate environmental permits and approvals.

Mortgagor warrants that there are not now, nor to the Mortgagor's knowledge after reasonable investigation, have there ever been Environmental Wastes stored, deposited, treated, recycled or disposed of on, under or at the Mortgaged Premises or any of Mortgagor's other real property locations owned, leased or used by Mortgagor (including tanks or other facilities thereon containing such materials) which materials or contained materials, if known to be present on the property or present in soils or ground water, would require cleanup, removal or some other remedial action under environmental laws.

Mortgagee may at any time hire the services of an environmental consulting and/or testing company to inspect any of the Mortgagor's real and/or personal property with the costs thereof to be charged to the Mortgagor, and, if the Mortgagor is the maker of the Note, to the Note. Mortgagor shall not rely on such inspection nor shall Mortgagor be relieved thereby of conducting its own environmental audit or taking such other steps as are necessary to comply with environmental laws and regulations. Furthermore, any costs that Mortgagee may choose to incur, in its sole discretion, in connection with the above and relating to environmental laws and regulations as they relate to the Mortgaged Premises shall be charged to the Mortgagor and secured by this Mortgage.

Section 9. Security Agreement. If any of the property described in the second paragraph of this Mortgage does not form a part and parcel of the Mortgaged Premises such that it is deemed personal property or a fixture within the meaning of the Uniform Commercial Code, this Mortgage is hereby also deemed a security agreement and fixture financing statement under the Uniform Commercial Code for the purpose of hereby creating and perfecting a security interest in such property. The Mortgagor hereby grants said security interest to the Mortgagee, as secured party, as that term is defined in the Uniform Commercial Code, to secure payment of the Obligation and the other obligations of the Mortgagor described in this Mortgage.

Section 10. Events of Default. The following shall constitute Events of Default hereunder:

- (i) The failure of the Mortgagor to pay indebtedness under the Obligation when the same is due;
- (ii) The failure of the Mortgagor to perform any covenant or agreement in the Obligation or in this Mortgage;
- (iii) Any representation or warranty made by the Mortgagor herein, or in any statement or certificate furnished by or on behalf of the Mortgagor in connection with this Mortgage, shall prove to have been untrue or misleading in any material respect;
- (iv) Mortgagor shall subsequent to closing generate or possess, as determined by Mortgagee, material amounts of Environmental Wastes, whether pursuant to permit or otherwise, of which Mortgagee was not notified in writing prior to closing;
- (v) The Mortgagor becomes insolvent or a bankruptcy petition is filed by or against the Mortgagor, or the Mortgagor makes an appointment for the benefit of creditors or consents to the appointment of a custodian, trustee or receiver for itself or for the greater part of its properties; or a custodian, trustee or receiver is appointed for the Mortgagor, or for the greater part of its properties without its consent; or,
- (vi) The Mortgagor shall sell or transfer, or agree to sell or transfer all or any part of the Mortgaged Premises or any interest therein, including the conveyance of a mortgage interest or any other form of junior lien in the Mortgaged Premises to any party other than the Mortgagee, and whether or not such sale or transfer occurs by gift, devise, operation of law, or otherwise.

Section 11. Foreclosure on Default. Upon the occurrence of any one or more of the Events of Default described in Section 10 hereof, the entire unpaid balance of the Obligation 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 attorneys' fees, outlays for documentary evidence, costs of abstracts of title, title searches, title insurance policies, environmental audits and any other expenses which the Mortgagee may deem reasonably necessary to prosecute such suit or to maintain a 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 constitute a secured Obligation under this Mortgage; third to the payment of accrued but unpaid interest on the Obligation; fourth to the payment of the outstanding principal of the Obligation; and fifth, any surplus to the Mortgagor, its successors or assigns.

Section 12. Power of Sale. The Mortgagor hereby grants to the Mortgagee the power, upon the occurrence of any one or more of the above referenced Events of Default, to grant, bargain, sell, release and convey the Mortgaged Premises with the appurtenances, at public auction, and to execute and deliver to the purchaser or purchasers good and sufficient deeds of conveyance, as provided by statute, and out of the proceeds to retain all sums due according to this Mortgage and the Obligation, and costs and charges of such sale, and the attorneys' fees provided by law, returning the surplus money, if any, to the Mortgagor, its successors or assigns.

Section 13. 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 mortgaged premises and apply them to the payment of indebtedness due under the Obligation, interest, attorneys' fees and costs, and any other payments required by the Obligation or this Mortgage, without notice and without regard to the adequacy of the mortgaged premises to secure the indebtedness; or, instead of such receivership, the Mortgagee may, at its option, itself take possession of the mortgaged premises during the period of redemption, and collect the rents and apply them in the manner set forth above.

Section 14. Failure to Pay Taxes or Insurance Premiums. If, after receiving from Mortgagee ten (10) days prior written demand for payment and/or discharge, 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 Mortgaged Premises in repair as aforesaid, or the Mortgagor commits or permits waste; then the Mortgagee, at its option, may pay said claim, lien, encumbrance, tax assessment or premium, with the 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 eighteen percent (18%) per annum, shall constitute an Obligation secured hereby and shall immediately become due and payable without notice. The failure of the Mortgagor to act pursuant to this Section shall not be deemed a waiver of any rights the Mortgagee may have because of any default on the part of the Mortgagor.

Section 15. 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 pertaining to the Mortgaged Premises, together with all rents to become due under such existing or future leases. This assignment, however, shall be operative only in the event of the occurrence of an Event of Default hereunder, or under the Note or other instrument collateral hereto, remaining uncured at the expiration of the grace period, if any, provided with respect to such default; and in any such case the Mortgagor hereby confers on the Mortgagee the exclusive power, to be used or not be used in the sole discretion of the Mortgagee, 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 Mortgaged Premises, and apply such rents, at the option of the Mortgagee, to the payment of the mortgage debt, taxes, costs of maintenance, repairs, expenses incident of 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 premises should be acquired by the Mortgagee. The Mortgagee shall be liable to account 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 mortgaged premises and used by the Mortgagor in the rental or leasing thereof or any part thereof.

Section 16. Satisfaction of Mortgage. If the Mortgagor complies with the provisions of this Mortgage and pays to the Mortgagee such principal sum, and all other sums payable by the Mortgagor to the Mortgagee as are hereby secured, in accordance with the provisions of the Obligation and in the manner and at the times therein set forth, without deduction, fraud or delay, then and from thenceforth this Mortgage and the estate hereby granted shall cease and become void, anything hereinbefore contained to the contrary notwithstanding.

Section 17. Notice. Any notice which is given to the Mortgagor shall be sufficient notice when notice is required under this Mortgage.

Section 18. Cumulative Rights and Remedies. The rights and remedies of the Mortgagee as provided herein or in the Obligation, and the warrant 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 19. 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 the Obligation exceeds 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 Obligation and not to the payment of interest.

Section 20. State Law to Apply. This Mortgage shall be construed under and in accordance with the laws of the State of Indiana, and all obligations of the parties created hereunder are performable in Indiana in the county in which the Mortgagee or real estate is located, as applicable.

Section 21. 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 22. 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 the Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 23. Time of Essence. Time is of the essence of this Mortgage.

Section 24. Construction. The words "Mortgagor" and "Mortgagee" include singular or plural, individual, partnership 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 25. 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, or the proper construction hereof.

IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage as of the date first written above.

[Signature]
Timothy F. Madden

[Signature]
Diane L. Madden

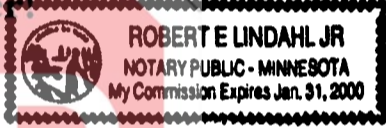
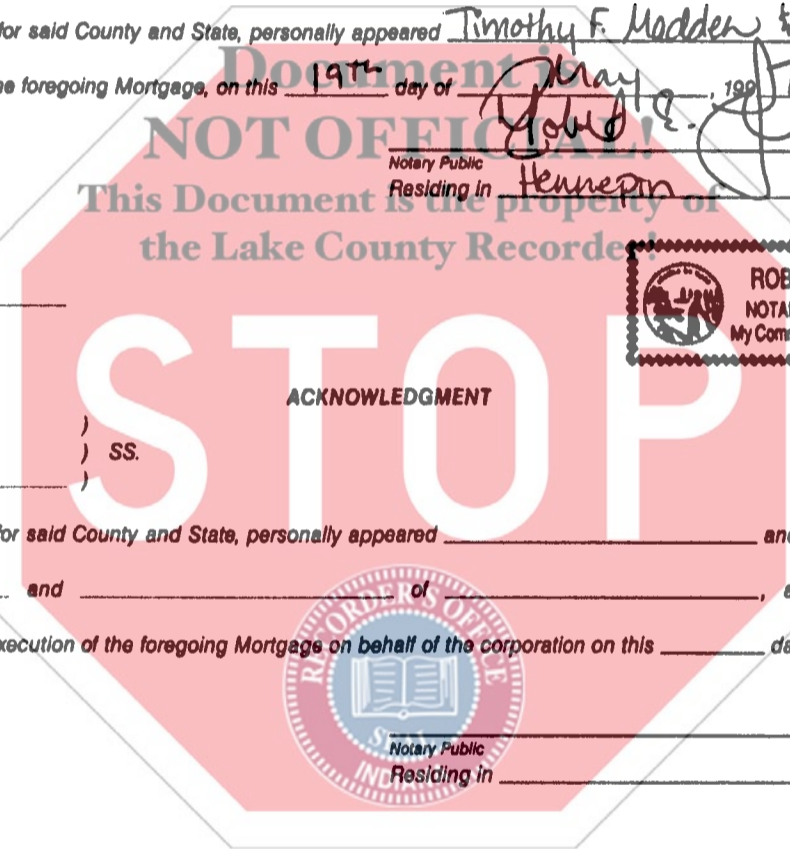
ACKNOWLEDGMENT

STATE OF ~~INDIANA~~ Minnesota)
) SS.
COUNTY OF Hennepin)

Before me, a Notary Public in and for said County and State, personally appeared Timothy F. Madden & Diane L. Madden
and acknowledged the execution of the foregoing Mortgage, on this 19th day of May, 1997.

[Signature]
Notary Public
Residing in Hennepin County, MINN

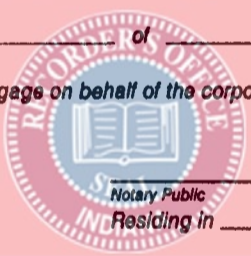
My Commission Expires:
1-31-2000



ACKNOWLEDGMENT

STATE OF INDIANA)
) SS.
COUNTY OF _____)

Before me, a Notary Public in and for said County and State, personally appeared _____ and _____
the _____ and _____ of _____, a _____
corporation, and acknowledged the execution of the foregoing Mortgage on behalf of the corporation on this _____ day of _____, 199____.



My Commission Expires:

This Instrument was prepared by Max Wilson for and on behalf of
NORWEST BANK Indiana, National Association
601 Jackson Street
La Porte, IN 46350