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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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REAL ESTATE MORTGAGE

December 19, 1997

THIS INDENTURE WITNESSETH that RICHARD J WIDLowski II and SANDRA L WIDLowski HUSBAND AND WIFE of LAKE County, IN, hereinafter referred to as "Mortgagors," MORTGAGE and WARRANT to SECURITY FEDERAL BANK, a F.S.B. organized under the laws of the United States of America, hereinafter referred to as "Mortgagee," the following described real estate in Country USA to-wit:

LOT 110 IN EAGLE RIDGE ESTATES, UNIT 2, AN ADDITION TO THE TOWN OF SCHERERVILLE, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 81 PAGE 63 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

together with all the buildings and improvement now or hereafter erected thereon, including all gas and electric fixtures plumbing apparatus, motors, boilers, furnaces, ranges, refrigerators, and all apparatus and fixtures of every kind, whether used for the purpose of supplying or distributing heat, refrigeration, light, water, air, power or otherwise, including screens, window shades, storm doors and windows, and floor coverings, now in or which hereafter may be placed in any building or improvement now or hereafter upon said property, together with all estate, right, title and interest of said mortgagor in and to said property, and the rents, issues and profits thereof which are hereby assigned, transferred and set over unto the Mortgagee, including all the rents, issues and profits now due or which may hereafter become due under or by virtue of any lease whether written or verbal or any agreement for the use or occupancy of said property, or any part or parts thereof, which may have been heretofore, or may be hereafter made or agreed to, or which may be made and agreed to by the Mortgagee under the power herein granted to it, it being the intention hereby to establish an absolute transfer and assignment to the Mortgagee of all such leases and agreements and all the avails thereunder, and such rents, issues and profits shall be applied first to the payment of all costs and expenses of acting under such assignment, and second to the payment of any indebtedness then due and secured hereby or incurred hereunder; together with all the rights, privileges, interest, easements, hereditments and appurtenances thereunto belonging or in any wise pertaining thereto all fixtures and appliances therein or subsequently placed therein or thereon, all the rents, issues, income and profits of said mortgages premises. This mortgage is given to secure the performance of the provisions hereof and the payment of certain obligation evidenced by a promissory note of even date herewith for the principal sum of

ONE HUNDRED EIGHTY SIX THOUSAND AND 00/100

Dollars, executed by the Mortgagors and payable to the order of the Mortgagee on or before 6 months after date, with interest thereon as provided in said note, said principal and interest being payable at the Office of the Mortgagee in the City of St. John, State of Indiana, accrued interest to be paid at the second and third draws against the loan principal balance, all of which indebtedness the Mortgagors promise and agree to pay to the order of Mortgagee, all without relief from valuation and appraisal laws and with attorney's fees. The Mortgagors do hereby further covenant and agree as follows: That the Mortgagors will, until the debt hereby secured is fully satisfied, pay all taxes and assessments levied on said premises, and pay all premiums for keeping all insurable property covered hereby, insured against loss and damage by fire

and windstorm, with such Insurers and in such amounts and manner as shall be in the judgment of the Mortgagee, necessary or proper.

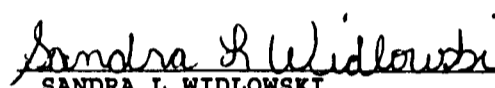
The Mortgagee may, in case of failure of the Mortgagors so to do, pay any claim, lien or encumbrance, or purchase any tax title or claim against the premises, make any repairs necessary to preserve the security intended to be given by this mortgage, and may obtain complete abstracts of title or title guaranty policies for said estate and such continuations thereof as in the judgment of the Mortgagee may be required at any time while any part of the debt hereby secured remains unpaid; and all sums so paid shall become immediately due to the Mortgagee, shall be added to and become a part of the indebtedness secured hereby, and shall bear interest at the rate of fifteen percent (15%) per annum until paid.

2. To exercise due diligence in the operation, management and occupation of said real estate and the improvement thereon, and not to commit waste or allow the same to be committed on said premises, and to keep said real estate and the improvements thereon in their present condition and repair, normal and ordinary depreciation alone excepted, and not to commit or permit to be committed on said premises any illegal or immoral acts.
3. Upon default in any payment provided for by any evidence of indebtedness secured hereby, or in the event of a default by the Mortgagors in the performance of any one or more covenants and agreements herein contained, or upon the institution of any legal proceedings to enforce a mortgage or other lien upon the mortgaged property or if a petition in bankruptcy shall be filled by or against the Mortgagors, or if the Mortgagors shall in any way be adjudged insolvent or shall make an assignment for the benefit of creditors, or if there shall exist any lien or encumbrance on the mortgaged real estate superior to the lien of the mortgage or if said mortgaged premises shall be levied upon by virtue of any execution, attachment or other writ, or shall come into the possession of or be ordered sold by the officer of any Court, or if the Mortgagors shall abandon the mortgaged property, then the entire indebtedness secured hereby shall, at the option of the Mortgagee become and be immediately due and payable, without notice or demand and thereupon the Mortgagee shall be entitled to the immediate possession of said property and the rents, issues, income and profits therefrom with or without foreclosure or other proceedings and shall also be entitled to collect said indebtedness, to foreclose this mortgage and to enforce any of its rights hereunder, by proper legal or equitable proceedings. It is understood and agreed that the Mortgagors shall pay all costs and attorney's fees incurred or paid by the Mortgagee in any suit in which it may be plaintiff or defendant by reason of being party to this mortgage, in any writ or proceedings to foreclose this mortgage, or to enforce or protect the Mortgagee's rights hereunder, the Mortgagee in addition to any other remedy, and regardless of the value of the mortgaged property or the solvency or insolvency of the Mortgagors, shall be entitled to the appointment of the Receiver to take possession of said property and protect said property and collect the rents and income and apply the same as provided by law. In the case of a foreclosure of this mortgage, the abstract of title or title guaranty policy as the case may be shall be the absolute property of the Mortgagee.
4. No failure on the part of the Mortgagee to exercise any of its rights hereunder for defaults or breaches of covenants shall be construed to prejudice its rights in the event of any other subsequent defaults or breach of covenant, and no delay on the part of the Mortgagee in exercising any of such rights shall be construed to preclude it from the exercise thereof at any time during the continuance of any such default or breach of covenant, and the Mortgagee may enforce any one or more remedies hereunder successively or concurrently at its option.
5. The Mortgagee, at its option, may extend the time for the payment of said indebtedness or reduce the payments thereon, or accept a renewal note or notes therefore, without the consent of any junior lien holder, and without consent of the Mortgagors if the Mortgagors have parted with the title to said property and any such extension, reduction or renewal shall not release the Mortgagors or any endorser or guarantor from liability for such indebtedness, or affect the priority of this mortgage over the junior lien or impair the security hereof in any manner whatsoever.
6. This mortgage shall secure the payment of any additional notes or loans made by the Mortgagee to the Mortgagors at any time hereafter for the purpose of paying taxes, insurance premiums, making repairs or alteration, or any other purpose within the discretion of the Mortgagee, provided only, that the aggregate of the principal amount of the indebtedness secured shall at no time exceed the original amount thereof.

7. All rights and obligations hereunder shall extend to and be binding upon the several heirs, executors, administrators, successors, and assigns of the parties hereto

IN WITNESS WHEREOF, the Mortgagors have hereunto set their hands and seals the 19TH day of December 1997

  
RICHARD J. WIDLOWSKI II

  
SANDRA L. WIDLOWSKI

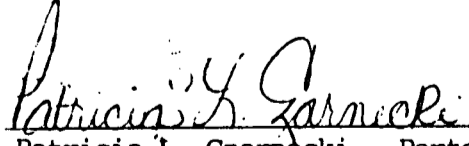
This Instrument Prepared By: **Edwina Golec, Assistant Vice President**  
SECURITY FEDERAL BANK, A FSB

STATE OF INDIANA COUNTY OF LAKE SS:

Before me, the undersigned, a Notary Public in and for said County and State, this 19th day of December 1997 personally appeared Richard J. Widlowski, II and Sandra L. Widlowski, Husband\* and acknowledged the execution of the foregoing Mortgage.  
\*and Wife

I hereby certify that I am not an Officer of the Mortgagee.

Witness my Hand and Notarial Seal

Notary Public   
Patricia L. Czarnicki Porter County Resident

My Commission Expires: 10/05/2001