

STATE OF INDIANA
FILED
MORTGAGE

3.

KNOW ALL MEN BY THESE PRESENTS, THAT Jeffrey and Jacqueline D. Balyeat, husband and wife, of Lake County, IN herein-referred to as "MORTGAGORS", does hereby MORTGAGE AND WARRANT to UNION BANK AND TRUST CO. OF INDIANA, hereinafter called the "MORTGAGEE", the following described real estate located in Lake County, State of Indiana, to wit:

Lot 13 in Winfield Addition to the Town of Munster, as per plat thereof, recorded in Plat Book 71, page 50, in the Office of the Recorder of Lake County, Indiana.

Together with all rights, privileges, interests, easements, minerals, timber, oil, hereditaments, appurtenances, improvements, buildings, fixtures, and proceeds thereof now or hereafter located upon or appertaining to such real estate (collectively referred to as the "Mortgaged Premises"), and all rents crops, issues, income and profits thereof.

This Mortgage is given as security for the payment of a line of credit in the maximum sum of Thirty Thousand and 00/100 (\$30,000.00), evidenced by a Promissory Note or Notes executed by the Mortgagor, on the 18th day of Aug., 2000, with interest as shown in the Promissory Note or Notes, together with any extensions or renewals thereof: (hereinafter the "Mortgage Debt").

This Mortgage shall be considered as continuous security for all extensions and advances under the Promissory Note or Notes above described, until the Mortgage Debt is finally and fully paid, and this Mortgage shall also secure the payment of any other liability, joint, several, indirect, or otherwise, of Mortgagor(s) or Debtor(s) to the Mortgagee.

Applicable Interest Rate: All references to the interest rate as referred to in this Mortgage shall be subject to the variable rate provisions of the Promissory Note or Notes secured hereby.

Terms, Warranties and Covenants:

The Mortgagor(s) agree to and warrant to pay all debt secured hereby all without relief from valuation and appraisal laws, that Mortgagor(s) are of legal age and have legal capacity to make this mortgage, to take proper care of said Mortgaged Premises, and to maintain a perfect, indefeasible fee simple title thereto, not to allow waste to be committed, not to do or suffer to be done anything that will impair assessments on said Mortgaged Premises hereby conveyed, to keep said Mortgage Premises free from all liens and charges whatsoever except those specifically described in this paragraph, to maintain fire, lightning, hazard and liability insurance on the buildings on said Mortgage Premises in an amount designated by Mortgagee and with an insurance company chosen by Mortgagor(s) and acceptable to Mortgagee, with insurance proceeds, if any, to be applied on the indebtedness hereby secured or for the reconstruction of buildings on said Mortgaged Premises, as the Mortgagee may elect, that Mortgagor(s) are and shall remain in possession of the Mortgaged Premises and that there are no liens or encumbrances on the Mortgaged Premises prior or superior to this Mortgage, except those unsubordinated, previously and properly recorded in favor of Union Bank and Trust Co. The Mortgagor(s) further agree to pay, when due, all taxes, liens, judgments or assessments lawfully assessed against said property.

Mortgagor(s) hereby specifically assign to the Mortgagee all rents, revenues, royalties, damages and payments of every kind at any time accruing under or becoming payable on account of the sale, lease or transfer of any interest in any portion of the property, any oil, gas, mining or mineral leases, rights or privileges of any kind now existing or that may hereafter come into existence covering the property, and any condemnation proceedings or other seizure of all or part thereof under the right of eminent domain or otherwise, and all monies received by Mortgagee by reason of the assignment may be applied, at the option of the Mortgagee, upon any unpaid amounts of principal and/or interest, provided that nothing herein shall be construed as a waiver of the priority of the lien of this Mortgage over any such lease, rights or privileges granted subsequent to the date of this Mortgage.

If Mortgagor(s) shall assign, sell or otherwise transfer in any manner, ownership of the Mortgaged Premises or any part thereof without the prior written consent of Mortgagee, all indebtedness secured by this Mortgage shall, at the option of Mortgagee, and without notice or demand, become immediately due and payable and constitute an event of default under this Mortgage.

The Mortgagor(s) agree to pay all court costs, expenses of title examination, abstract fees, survey costs, attorney's costs and fees incurred by the Mortgagee involving this Mortgage, the loan(s) it secures and the enforcement and/or defense thereof and any such costs, expenses or fees paid or payable by the Mortgagee shall become a part of the debt secured hereby.

The Mortgagor(s) agree that upon failure to pay any debt herein secured when the same shall become due, or upon their failure to comply with each and every of the warranties and conditions and terms of this instrument, or if Mortgagor(s) or Debtor(s) shall become bankrupt, incompetent, have a receiver appointed, die, breach any representation made herein, default under any of the terms of the Promissory Note or Notes or other credit instrument, or if Mortgagee shall deem Mortgagor(s) or Debtor(s) in danger of insolvency, or the Mortgage Premises shall be subject to a foreclosure action, then and in any event, said entire Mortgage Debt and any other debt hereby secured shall without notice to Mortgagor(s) or Debtor(s) be then due and payable with costs of collection and attorneys fees. Should the indebtedness thereby secured remain unpaid after the same becomes due, said Mortgagee may at this option collect and receive the rents, revenues, royalties and profits of said real estate, and apply them to the payment of taxes, insurance premiums, repairs, or upon the principal or interest of the Mortgage Debt, and may continue to do so until such indebtedness is fully paid; and/or Mortgagee may enter upon and take possession of said Mortgaged Premises and/or Mortgagee may bring suit to foreclose this Mortgage. Upon the filing of a complaint in any court to enforce payment of debt and foreclosure of this Mortgage, the court or judge thereof, may appoint a receiver to take charge of said real estate, rent the same and collect the income and rents therefore and pay the same to the Mortgagee to be applied on the indebtedness hereby secured. Mortgagor(s) specifically consents to the appointment of a receiver, said receiver to be designated by Mortgagee.

If a default shall be made in any of the payments provided for in the Note(s) or in case of any failure to perform any of the terms and conditions of the Mortgage securing the same, the undersigned further promise and agree to pay all reasonable fees paid or agreed to be paid by the holder of this Note to any attorney, not a salaried employee of said holder, employed to effect collection of the Note(s) or to enforce the lien of said mortgage.

The Mortgagor(s) agree that if they shall fail to pay any taxes, liens, judgments, assessments, court costs or attorney fees, or to keep said Mortgaged Premises free from any and all liens or other charges whatsoever, or to procure insurance as aforesaid or to maintain a perfect title to said real estate, or to preserve the value of the security of the Mortgaged Premises, Mortgagee may at its election pay any such taxes or assessments, clear such property from any liens or other charges, effect such insurance, perfect the title of or maintain the value of the security, and any and all sums of money so paid, with interest at the rate specified in the Promissory Note or Notes, shall become a part of the Mortgage Debt hereby secured, and the same shall become payable upon the demand of the Mortgagee.

The omission of said Mortgagee, upon any default, to exercise any option as herein provided shall not preclude it from the exercise thereof upon any subsequent default. Notice of the exercise of any option in regard to any of the matters herein provided for is not required to be given by said mortgagee to said Mortgagor(s), said Mortgagor(s) hereby waiving any such notice.

The Mortgagee may extend and defer the maturity of and renew and reamortized indebtedness hereby secured, release from liability any part thereon, and release from the lien hereof portions of said property, without affecting the priority hereof or the liability of the Mortgagor(s) or any other party for the payment of said indebtedness, all such extensions, deferments, renewals and reamortizations to be secured hereby.

In the event any provisions or clause of this Mortgage conflicts with applicable law or is declared unenforceable by a court of competent jurisdiction or otherwise, then any such provision or clause shall be severable and shall not affect the remaining provisions of this mortgage or the enforceability thereof.

The covenants, agreements and provisions herein contained shall be binding upon and insure to the benefit of the heirs, devisees, personal representatives grantees, successors and assigns of the respective parties. Whenever in this Mortgage either the Mortgagor or the Mortgagee is named or referred to, such naming or reference includes all of the class or assigns, heirs, personal representatives, grantees or successors of either, as the case may be, and that the pronoun as used herein in the third person singular includes the person, number and gender appropriate to the first designation of the parties.

It is further agreed that the Mortgagee shall be entitled to subrogation as to any sum or sums advanced by it and hereby secured; that this Mortgage may be assigned by Mortgagee without the consent of or without notice to Mortgagor(s); and that all provisions of this Mortgage and representations made by the Mortgagor(s) in connection herewith are for the benefit of the Mortgagee and any assignee of this Mortgage and of the Mortgage Debt hereby secured.

IN WITNESS WHEREOF, the Mortgagor(s) has hereunto set hand and seal this 18th day of August, 2000.

Jeffrey L. Balyeat
Jeffrey L. Balyeat

Jacqueline D. Balyeat
Jacqueline D. Balyeat

STATE OF INDIANA
COUNTY OF Lake

Before me, the undersigned, a Notary in and for said county and State, this 18th day of Aug., 2000 personally appeared the within named Jeffrey L. and Jacqueline D. Balyeat, the above named Mortgagor(s), and acknowledged the execution of the foregoing Mortgage. I hereby certify that I am not an officer of the Mortgagee.

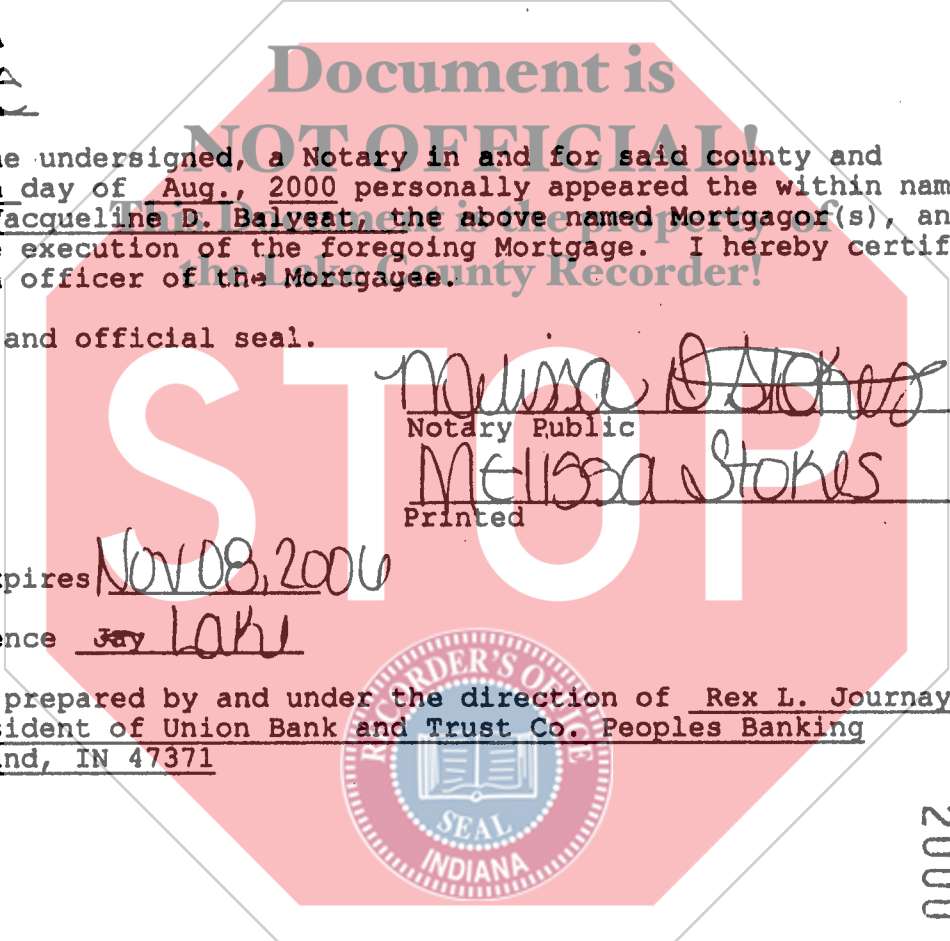
WITNESS my hand and official seal.

Melissa Stokes
Notary Public
Melissa Stokes
Printed

My commission expires Nov 08, 2006

County of Residence Jay Lake

This instrument prepared by and under the direction of Rex L. Journay, Senior Vice President of Union Bank and Trust Co. Peoples Banking Division, Portland, IN 47371



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NOTARY PUBLIC

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