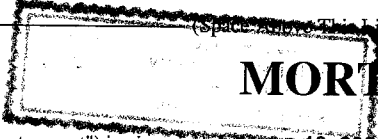


3

60800350467

(Space Above This Line for Recording Date)



MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **January 10, 2005**

The Mortgagor is **SCOTT M REDER AND CHRISTINE M PALLOTTA REDER**

("Borrower").

This Security Instrument is given to

PEOPLES BANK SB

, which is organized and existing under the laws of

State of Indiana

, and whose address is

9204 COLUMBIA AVENUE, MUNSTER IN 46321

("Lender").

Borrower owes Lender the principal sum of

Two Hundred Ninety Thousand Three Hundred Dollars And No Cents

Dollars

(U.S. \$ **290300.00**)

). This debt is evidenced by Borrower's Note, dated the same date as this Security Instrument

("Note"). If not paid earlier, due and payable on

January 10, 2006

. This Security Instrument secures to Lender: (a) the

repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest,

advanced to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument

and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in

LAKE County, Indiana:

SEE ATTACHED ADDENDUM "A"

290300.00
LAKE COUNTY INDIANA
RECORDED
JAN 11 2005

which has the address of

MERRILLVILLE

3556 W 73RD AVE,

Indiana

46410

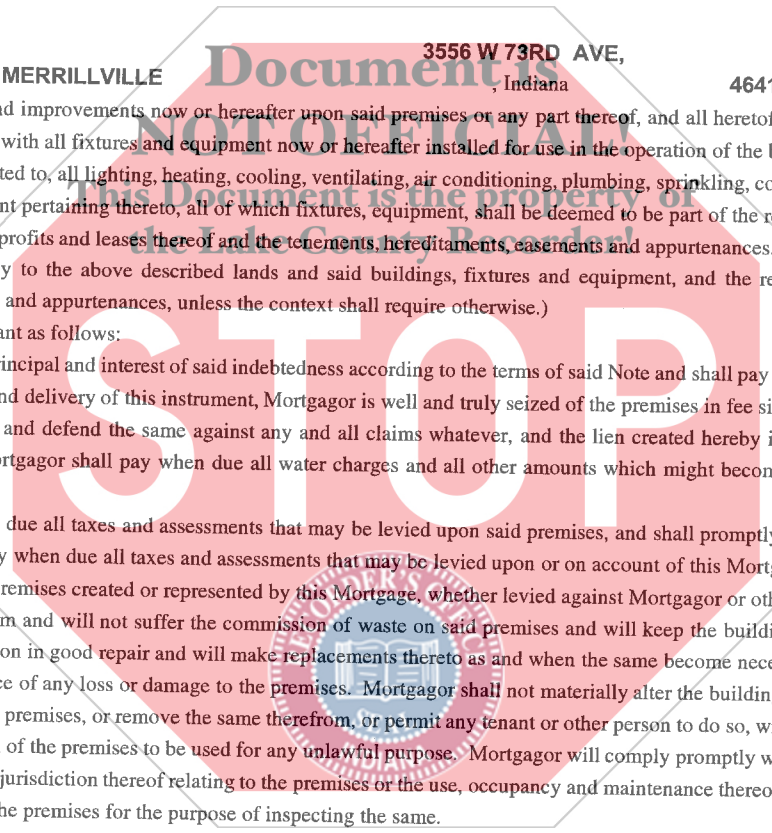
("Property Address")

Together with all buildings and improvements now or hereafter upon said premises or any part thereof, and all heretofore or hereafter vacated alleys and street abutting said premises, and together with all fixtures and equipment now or hereafter installed for use in the operation of the building or buildings now or hereafter on said premises, including but not limited to, all lighting, heating, cooling, ventilating, air conditioning, plumbing, sprinkling, communicating and electrical systems, and the machinery, fixtures and equipment pertaining thereto, all of which fixtures, equipment, shall be deemed to be part of the real estate.

Together with all of the rents, profits and leases thereof and the tenements, hereditaments, easements and appurtenances. (Any reference herein to the mortgaged "premises" shall be deemed to apply to the above described lands and said buildings, fixtures and equipment, and the rents profits and leases thereof, and said tenements, hereditaments, easements and appurtenances, unless the context shall require otherwise.)

Mortgagor does hereby covenant as follows:

- (1) Mortgagor shall pay the principal and interest of said indebtedness according to the terms of said Note and shall pay all other amounts provided herein.
- (2) At the time of execution and delivery of this instrument, Mortgagor is well and truly seized of the premises in fee simple, free of all liens and encumbrances whatsoever and will forever warrant and defend the same against any and all claims whatever, and the lien created hereby is and will be kept a first lien upon said premises and every part thereof. Mortgagor shall pay when due all water charges and all other amounts which might become a lien upon the premises prior to this Mortgage.
- (3) Mortgagor shall pay when due all taxes and assessments that may be levied upon said premises, and shall promptly deliver to Mortgagee receipts showing payment thereof. Mortgagor shall pay when due all taxes and assessments that may be levied upon or on account of this Mortgage or the indebtedness secured hereby or upon the interest or estate in said premises created or represented by this Mortgage, whether levied against Mortgagor or otherwise.
- (4) Mortgagor will abstain from and will not suffer the commission of waste on said premises and will keep the buildings, improvements, fixtures, equipment and appliances now or hereafter thereon in good repair and will make replacements thereto as and when the same become necessary. Mortgagor shall promptly notify Mortgagee in writing of the occurrence of any loss or damage to the premises. Mortgagor shall not materially alter the building, improvements, fixtures, equipment or appliances now or hereafter upon said premises, or remove the same therefrom, or permit any tenant or other person to do so, without the written consent of Mortgagee. Mortgagor will not permit any portion of the premises to be used for any unlawful purpose. Mortgagor will comply promptly with all laws, ordinances, regulations and orders of all public authorities having jurisdiction thereof relating to the premises or the use, occupancy and maintenance thereof. Mortgagee shall have the right at any time, and from time to time, to enter the premises for the purpose of inspecting the same.
- (5) Mortgagor will keep all buildings, improvements, fixtures, equipment and appliances now or hereafter upon said premises and the rents thereof, insured against loss and damage by fire and the perils covered by extended coverage insurance, and against such other risks (including public liability insurance), and in such amounts, as may from time to time be required by Mortgagee, and with such insurer or insurers as may from time to time be approved by Mortgagee, with the proceeds thereof payable to Mortgagee under a standard mortgage clause. The policies of all such insurance and all renewals thereof, together with receipts evidencing payment in full of the premiums thereon, shall be delivered promptly to Mortgagee. In the event of loss or damage, the proceeds of said insurance shall be paid to Mortgagee alone. Mortgagee is authorized to adjust and compromise such loss without the consent of Mortgagor, to collect, receive and receipt for such proceeds in the name of Mortgagee and Mortgagor, and to endorse Mortgagor's name upon any check in payment thereof. The Power granted hereby shall be deemed to be coupled with an interest and shall be irrevocable. Such proceeds shall be applied toward reimbursement of all costs and expenses of Mortgagee in collecting said proceeds, and toward the payment of all amounts payable by Mortgagor to Mortgagee hereunder, and toward the payment of the indebtedness secured hereby or any portion thereof, whether or not then due or payable, or Mortgagee, at its option, may apply said insurance proceeds or any part thereof to the repair or rebuilding of said premises. All of said policies of insurance shall be held by Mortgagee as additional security hereunder and, in the event of sale of the premises on foreclosure, the ownership of all policies of insurance and the right to receive the proceeds of any insurance payable by reason of any loss theretofore or thereafter occurring, shall pass to the purchaser at said sale and Mortgagor hereby appoints Mortgagee its attorney-in-fact, in Mortgagor's name, to assign and transfer all such policies and proceeds to such purchaser.
- (6) In the event that any person, firm, or corporation owning or owning an interest in, the premises, is adjudicated a bankrupt, or insolvent, or shall make an assignment of the benefit of creditors, or shall take, or receive, the benefit of any act for reorganization, or if a receiver should be appointed for such owner, Mortgagee may, at its option, declare the principal of the note hereby secured and then outstanding to be due and payable immediately; and upon such declaration, the said principal, so declared to be due and payable, together with the interest accrued thereon, and together with any other sums secured hereby shall become and be due and payable immediately, anything in this Mortgage or in said Note to the contrary notwithstanding.
- (7) If default be made in the payment of any of the aforesaid taxes or assessments or in making repairs or replacement or in procuring and maintaining insurance and paying the premiums therefor, or in keeping or performing any other covenant of Mortgagor herein, Mortgagee may, at its option and without any obligation on its part so to do, pay said taxes and assessments, make such repairs and replacements, effect such insurance, pay such premiums, and perform any other covenant of Mortgagor herein. All amounts expended by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts after the same become due under the Note.

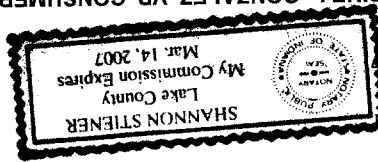


TITLOR TITLE INSURANCE 50
920047574

17. W
PP

This instrument prepared by CATHERINE L. GONZALEZ, VP, CONSUMER LOANS

My Commission Expires: 3/14/07



Notary Public Shannon Stienner Lake County Resident

and acknowledged the execution of the annexed instrument.

Witness My Hand and Official Seal personally appeared

January, 2005

Before me, the undersigned, a Notary Public in and for said County and State, this

came SCOTT M REDER AND CHRISTINE M PALLOTTA REDER who

STATE OF INDIANA COUNTY OF LAKE

SIGNATURE

SIGNATURE

SIGNATURE SCOTT M REDER

SIGNATURE CHRISTINE M PALLOTTA REDER

Handwritten signature of Scott M Reder

Handwritten signature of Christine M Palotta Reder

(19) Borrower hereby waives all right of valuation and appraisal.

(18) All of the covenants and conditions hereof shall run with the land and shall be binding upon the successors and assign of Mortgagee, and shall inure to the benefit of the successors and assign of Mortgagee. Any reference herein to "Mortgagee" shall include the successors and assign of Mortgagee.

(17) Each and every of the rights, remedies or benefits provided to Mortgagee herein shall be cumulative and shall not be exclusive of any other of said rights, remedies or benefits, or of any other rights, remedies or benefits allowed by law. Any waiver by Mortgagee of any default shall not constitute a waiver of any similar

(16) All notices, demands and requests required or permitted to be given to Mortgagee hereunder or by law shall be deemed delivered when deposited in the United States mail, with full postage prepaid thereon, addressed to Mortgagee at the last address of Mortgagee on the records of Mortgagee.

(15) Mortgagee will not, without the prior written consent of Mortgagee, mortgage, mortgage or pledge as security for any other loans obtained by Mortgagee, the premises and improvements thereon, fixtures or personal property used in the operation of the improvements on the premises. If any such mortgage or pledge is entered into without the prior written consent of Mortgagee, the entire indebtedness secured hereby, may, at the option of Mortgagee, be declared immediately due and payable

(14) In the event that Mortgagee shall at any time sell, convey or transfer either directly or indirectly the mortgaged premises or any part thereof, whether by sale or any other means whatsoever, without the prior written consent of Mortgagee, the entire indebtedness secured hereby may, at the option of Mortgagee, be declared immediately due and payable without notice. No transfer of the premises by Mortgagee with the prior written consent of Mortgagee, and no extension of time of payment or other

(13) The funds secured hereby are to be advanced for use in the construction of certain improvements on said premises pursuant to a construction loan agreement between the Mortgagee and Mortgagee of even date, which construction loan agreement is incorporated herein by reference to the same effect as if fully set forth and made a part of this Mortgagee. Any default under the terms and condition of said construction loan agreement shall also constitute a default of this Mortgagee.

(12) As additional security for the payment of the indebtedness represented by the Note herein described, interest thereon, insurance premiums, taxes and assessments, at the time and in the manner herein agreed, and for the performance of the covenants and agreements herein contained, the Mortgagee does hereby sell, assign, transfer and set over unto the Mortgagee herein all the rents, profits, and income, whether due or to become due under all oral or written leases of the mortgage premises in existence or coming into existence during the period this Mortgagee is in effect. This assignment of rents shall run with the land and be good and valid as against the Mortgagee herein, or those claiming by, under or through the Mortgagee, from the date of the recording of this instrument. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Mortgagee. In the event of a sale on foreclosure which shall result in a deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency.

(11) In the event of the taking of all or any portion of the premises in any proceedings under the power of eminent domain, the entire award rendered in such proceedings shall be paid to Mortgagee, to be applied toward reimbursement of all costs and expenses of Mortgagee in connection with said proceedings, and toward the payment of all amounts payable by Mortgagee hereunder, and toward the payment of the indebtedness secured hereby, or any portion thereof, whether or not then due or payable, or Mortgagee, at its option, may apply said award, or any part thereof, to the repair or rebuilding of said

(10) Should default be made in the payment of the principal or interest of said indebtedness or any part thereof, or in the payment of any other sums provided after same become due.

(9) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts

(8) Nonpayment of any taxes or assessments levied or assessed upon the premises, and nonpayment of any insurance premium upon any insurance policy covering the premises, or any part thereof, shall constitute waste, and shall entitle Mortgagee to exercise the remedies afforded by the appropriate states of the

(7) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts

(6) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts

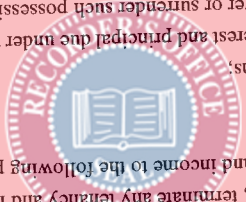
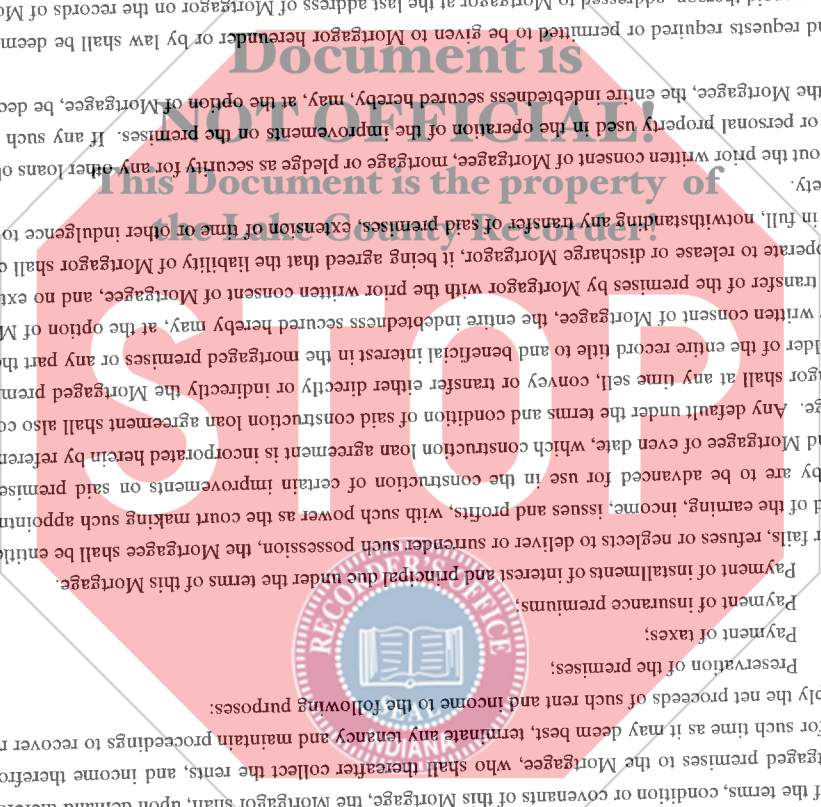
(5) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts

(4) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts

(3) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts

(2) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts

(1) In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagee shall reimburse Mortgagee for all costs and expenses, including attorney fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagee forthwith on demand, with interest thereon at the rate at which interest accrues on amounts



ADDENDUM "A"

Parcel 1: A part of Lot 3 in Reder Farms Phase 1, an Addition to Merrillville, as per plat thereof, recorded in Plat Book 88, page 45, in the Office of the Recorder of Lake County, Indiana, also being a part of the Northeast 1/4 of Section 18, Township 35 North, Range 8 West of the Second Principal Meridian, Town of Merrillville, Lake County, Indiana. Said parcel being more particularly described as follows: Commencing at the center of said Section 18; thence South 88 degrees 00 minutes 26 seconds East 747.17 feet (basis of bearings) along the South line of the Northeast 1/4 of said Section 18; thence North 0 degrees 09 minutes 10 seconds West 186.0 feet along the West boundary line of said Reder Farms Subdivision, Phase 1, to the Southwest corner of said Lot 3 and the point of beginning; thence continuing North 0 degrees 09 minutes 10 seconds West 194.0 feet along the West line of said Lot 3 to the Northwest corner of said Lot 3; thence South 88 degrees 00 minutes 26 seconds East 195.28 feet along the North line of said Lot 3; thence South 0 degrees 09 minutes 10 seconds East 194.0 feet; thence North 88 degrees 00 minutes 26 seconds West 195.28 feet along, in part, the South line of said Lot 3 to the point of beginning.

Parcel 2: The non-exclusive right and easement to go upon, over, under, across and to use, for purposes of ingress, egress, and utilities, appurtenant to Parcel 1 described above, the real estate described as follows:

A part of Lot 3 in Reder Farms Phase 1, an Addition to the Town of Merrillville, as per plat thereof, recorded in Plat Book 88, page 45, in the Office of the Recorder of Lake County, Indiana. Also being a part of the Northeast 1/4 of Section 18, Township 35 North, Range 8 West of the Second Principal Meridian, Town of Merrillville, Lake County, Indiana. Said parcel being more particularly described as follows: Commencing at the center of said Section 18; thence South 88 degrees 00 minutes 26 seconds East 892.45 feet (basis of bearings) along the South line of the Northeast 1/4 of said Section 18; thence North 0 degrees 09 minutes 10 seconds West 40.03 feet to a point on the North right of way line of 73rd Avenue, said point being the Southeast corner of Lot 4 in said Reder Farms Subdivision, Phase 1 and the point of beginning; thence continuing North 0 degrees 09 minutes 10 seconds West 145.97 feet along the East line of said Lot 4 to the Northeast corner of said Lot 4; thence South 88 degrees 00 minutes 26 seconds East 33.0 feet; thence South 0 degrees 09 minutes 10 seconds East 145.97 feet to a point on the North right of way line of said 73rd Avenue; thence North 88 degrees 00 minutes 26 seconds West 33.0 feet along the North right of way line of said 73rd Avenue to the point of beginning.

As created in _____ dated _____ and recorded _____

