

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2009 027249

2009 APR 28 AM 10: 54

MICHAEL A. BROWN  
RECORDER

**REAL ESTATE MORTGAGE**

This indenture witnesseth: that Lewis B. McElwain and Laura A. McElwain, husband and wife (hereafter "Mortgagors"), mortgages and warrants to Hobart Lumber, Inc., an Indiana corporation (hereafter "Mortgagee") the following described real estate (hereafter "mortgaged premises") located in the County of Lake, State of Indiana, to-wit:

**Lot 22 in Wildwood on the Lake, in the City of Hobart, as per plat thereof, recorded in Plat Book 31, page 44, in the Office of the Recorder of Lake County, Indiana.**

**commonly known as: 1001 Lake George Drive, Hobart, Indiana.**

This mortgage is given to secure the payment of the indebtedness owed by Mortgagors to Mortgagee as evidenced by a Promissory Note of even date herewith in favor of Mortgagee, executed and delivered by Mortgagors, in the principal sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00), due and payable per the terms of said Promissory Note.

Upon Mortgagors' failure to make payment pursuant to the terms of the aforementioned Promissory Note, or upon Mortgagors' failure to comply with any of the terms, provisions, and conditions hereof, or upon Mortgagors' failure to comply with the terms, provisions, and conditions of any other written agreement entered into by Mortgagors with Mortgagee hereafter, all of the indebtedness then unpaid shall at the option of Mortgagee become immediately due and collectible. No delay on the part of Mortgagee in exercising such option shall operate as a waiver thereof or preclude the exercise thereof at any time during the continuance of any such default or a subsequent default.

Mortgagors waive presentment for payment, protest, notice of protest, and notice of nonpayment of the indebtedness secured by this mortgage.

**Section One**

**ADDITIONAL COLLATERAL**

The mortgaged premises as described hereinabove shall include all buildings and improvements now or hereafter situated on the mortgaged premises, and all fixtures hereafter attached to or used in connection with the premises.

✓ # 7699  
22-  
BB

**Section Two**  
**PAYMENT**

Mortgagors agree to pay the principal indebtedness secured hereby, as and when the same becomes due, per the terms of the aforementioned Promissory Note, without relief from valuation or appraisal laws and with attorney's fees in the event of Mortgagors' default.

**Section Three**  
**TITLE TO MORTGAGED PREMISES**

Mortgagors covenant that Mortgagors has title to the mortgaged premises in fee simple.

**Section Four**  
**LIENS AND USE OF MORTGAGED PREMISES**

Mortgagors will not permit any mechanic's or similar lien to attach to the mortgaged premises or use the mortgaged premises for any purpose that violates any federal or state law, government regulation, or local ordinance. Mortgagors will promptly comply with all present and future laws, ordinances, rules, and regulations of any governmental authority affecting the mortgaged premises.

**This Document is the property of  
the Lake County Recorder!**

**Section Five**  
**REPAIR OF MORTGAGED PREMISES**

Mortgagors will keep the mortgaged premises in good repair, and will not commit waste or suffer waste to be committed thereon, nor suffer anything to be done that will impair the value of the mortgaged premises.

**Section Six**  
**INSURANCE**

Mortgagors will at their expense maintain in effect at all times adequate insurance, with a reliable insurance company, licensed to business in the State of Indiana, against loss or destruction of the mortgaged premises on account of fire, windstorm, and such other hazards, casualties, and contingencies, in an amount no less than \$100,000.00. Mortgagee, Hobart Lumber, Inc., shall be named as a co-loss payee, and all such insurance shall include provisions that the insurance coverage will not be cancelled without thirty (30) days prior written notice to Hobart Lumber, Inc. A Certificate of Insurance evidencing said insurance coverage shall be provided to Hobart Lumber, Inc. upon execution of this mortgage. In the event of loss, Mortgagors will give

immediate notice by mail to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagors, and each insurance company concerned is hereby authorized and directed to make payment for such loss to Mortgagors and Mortgagee jointly. The insurance proceeds or any part thereof may be applied by Mortgagee at its option to the reduction of the indebtedness secured hereby or to the restoration or repair of the mortgaged premises damaged. Mortgagors shall pay all required insurance premiums in a timely fashion.

**Section Seven**  
**TAXES**

Mortgagors will pay all taxes, assessments, and other charges levied or assessed against the mortgaged premises as and when the same become due and before penalties accrue.

**Section Eight**  
**CONDEMNATION**

If the mortgaged premises, or any part thereof, are taken or damaged by condemnation proceedings under right of eminent domain or in any other manner, Mortgagee shall be entitled to receive all compensation, awards, or other relief, to the extent of the balance owed by Mortgagors to Mortgagee, and Mortgagors hereby assign to Mortgagee all such proceeds to be applied to the indebtedness secured hereby.

**Section Nine**  
**EXPENSES OF MORTGAGEE**

In the event Mortgagors shall fail to maintain insurance as required by this mortgage, or in the event Mortgagors shall fail to pay real estate taxes and assessments charged against the mortgaged premises, Mortgagors may pay any insurance premium(s) or installment(s) of real estate taxes or assessments, and all sums so paid shall become a part of the indebtedness secured by this mortgage and shall be repaid to Mortgagee on demand.

**Section Ten**  
**SUBORDINATION**

In the event Mortgagors need to obtain a construction loan secured by a mortgage on the property at 1001 Lake George Drive, Hobart, Indiana, in order to complete the partially constructed home on said property, Mortgagee herein agrees to subordinate its mortgage herein to said

construction loan mortgage, but only if so required by the construction loan lender as a condition to extending credit to Mortgagors.

**Section Eleven**  
**EVENTS OF DEFAULT**

On the default by Mortgagors in the payment required by the Promissory Note secured by this mortgage, or on the default of Mortgagors in the observance or performance of any of the terms, provisions, or conditions of this mortgage, or if Mortgagors abandon the mortgaged premises, or on the institution of any legal proceeding to enforce any mortgage or other lien on the mortgaged premises or any improvements thereon, or if a petition in bankruptcy shall be filed by Mortgagors, or if Mortgagors are adjudged insolvent or makes an assignment for the benefit of creditors, or if the mortgaged premises are levied on or against by virtue of any execution, attachment, or other writ, or comes into the possession of or are ordered sold by an official of any Court, then the entire indebtedness secured hereby shall, at the option of Mortgagee, become immediately due and payable without notice to Mortgagors, and Mortgagee shall have the right immediately to foreclose this mortgage. In the event proceedings to foreclose this mortgage are instituted, all sums expended for the continuation of the abstract of title to the mortgaged premises shall become part of the indebtedness secured hereby and collectible as such.

**This Document is the property of  
the Lake County Recorder!**  
**Section Twelve**  
**FORBEARANCE NOT WAIVER**

No failure by Mortgagee in the exercise of any of its rights hereunder shall preclude Mortgagee from the exercise thereof in the event of a subsequent default by Mortgagors hereunder, and no delay by Mortgagee in the exercise of any of its rights under this mortgage shall preclude Mortgagee from the exercise thereof so long as Mortgagors are in default hereunder. Mortgagee may enforce any one or more of its rights or remedies hereunder successively or concurrently.

**Section Thirteen**  
**MODIFICATION OF INDEBTEDNESS**

Mortgagee, at its option, may extend the time for the payment of the indebtedness set forth herein, and any such extension shall not affect the priority of this mortgage or impair the security hereof in any manner whatsoever, or release, discharge, or affect in any manner the personal liability of Mortgagors to Mortgagee.

**Section Fourteen**  
**RIGHTS OF SUCCESSOR**

All rights and obligations hereunder shall extend to and be binding on the several heirs, representatives, successors and assigns of the parties hereto.

**Section Fifteen**  
**GOVERNING LAW**

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

IN WITNESS WHEREOF, Mortgagors have signed this mortgage this 26<sup>th</sup> day of February, 2009.

  
\_\_\_\_\_  
Lewis B. McElwain

  
\_\_\_\_\_  
Laura A. McElwain

STATE OF INDIANA


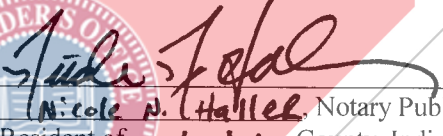
COUNTY OF Lake

Before me, a Notary Public, in and for said County and State personally appeared Lewis B. McElwain and Laura A. McElwain who acknowledged the execution of the foregoing Real Estate Mortgage. I have, in accordance with I.C. 36-2-7.5, reviewed the above document for purposes of identifying and, to the extent permitted by law, redacted all social security number(s) in the foregoing Real Estate Mortgage.

Witness my hand and seal this 26<sup>th</sup> day of February, 2009.

My Commission Expires:

March 16, 2013

  
  
\_\_\_\_\_  
Nicole N. Haller, Notary Public  
Resident of Lake County, Indiana

**This instrument was prepared by  
and is returnable to:**

Michael C. Handlon  
HANDLON & HANDLON  
3190 Willowcreek Road, Suite B  
→ Portage, Indiana 46368  
Telephone: (219) 763-7413

