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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2009 063369

2009 SEP 17 AM 8:49

MICHAEL A. BROWN  
RECORDER

WHEN RECORDED RETURN TO:

D. Manet Shettle  
IN U.M. Loan & Savings Ministry, Inc.  
1001 North Western Avenue, Suite D  
Marion, Indiana 46952



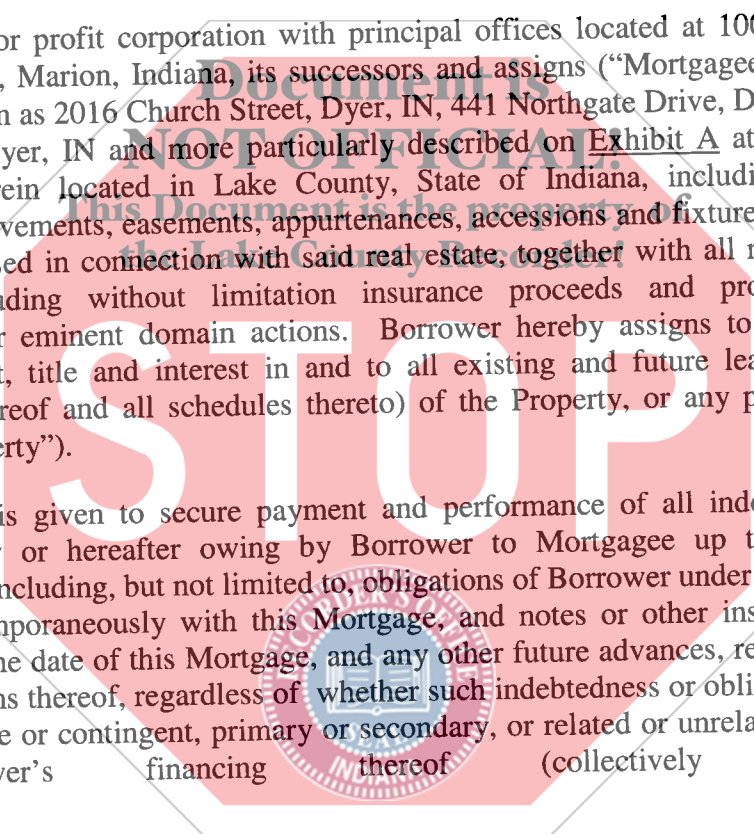
## REAL ESTATE MORTGAGE AND SECURITY AGREEMENT

THIS REAL ESTATE MORTGAGE AND SECURITY AGREEMENT is dated August 27, 2009. Dyer United Methodist Church, Inc. with the principal office located at 2016 Church Street, Dyer, IN 46311, ("Borrower") hereby grants a security interest in and mortgages and warrants to:

IN U.M. LOAN & SAVINGS MINISTRY, INC.

an Indiana not for profit corporation with principal offices located at 1001 North Western Avenue, Suite D, Marion, Indiana, its successors and assigns ("Mortgagee"), the real estate commonly known as 2016 Church Street, Dyer, IN, 441 Northgate Drive, Dyer, IN and 13501 109<sup>th</sup> Avenue, Dyer, IN and more particularly described on Exhibit A attached hereto and incorporated herein located in Lake County, State of Indiana, including the buildings, structures, improvements, easements, appurtenances, accessions and fixtures now or hereafter attached to or used in connection with said real estate, together with all rents and proceeds therefrom, including without limitation insurance proceeds and proceeds from any condemnation or eminent domain actions. Borrower hereby assigns to Mortgagee all of Borrower's right, title and interest in and to all existing and future leases (including all amendments thereof and all schedules thereto) of the Property, or any portion thereof (all called the "Property").

This Mortgage is given to secure payment and performance of all indebtedness or other obligations now or hereafter owing by Borrower to Mortgagee up to a maximum of \$1,200,000.00, including, but not limited to, obligations of Borrower under a Promissory Note executed contemporaneously with this Mortgage, and notes or other instruments executed before or after the date of this Mortgage, and any other future advances, renewals, extensions and modifications thereof, regardless of whether such indebtedness or obligations be direct or indirect, absolute or contingent, primary or secondary, or related or unrelated to the Property or Borrower's financing thereof (collectively called the



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“Indebtedness”). Borrower hereby authorizes Mortgagee to execute and file any financing or fixture filing statements signed only by Mortgagee as deemed advisable by Mortgagee in the appropriate state or local offices on behalf of the Borrower in connection herewith.

Borrower further represents, warrants, covenants and agrees as follows:

1. To perform and pay the Indebtedness, including interest, in accordance with the terms of the documents evidencing the Indebtedness.
2. That Borrower owns the Property and has good and marketable title to the Property free and clear of all liens and encumbrances except liens and encumbrances granted to Mortgagee, utility easements and those liens and encumbrances set forth on Exhibit B attached hereto and incorporated herein.
3. That all information concerning Borrower and the Property is true and correct in all material respects, and no omission or misrepresentation of material fact renders said information misleading.
4. That, except as disclosed in writing by Borrower to Mortgagee, there have not been, and will not be, released into, or deposited upon or below the surface of or into any water systems on or below the surface of, or into the atmosphere surrounding, the Property any toxic or hazardous substance, waste, or material or any pollutant or contaminant within the meaning of any Environmental Laws (as hereinafter defined), including but not limited to petroleum, any radioactive material and asbestos in any form or condition (collectively called “Hazardous Substance”), and no building, structure or improvement, including storage tanks of any sort, on the Property or any appurtenance, accession, or fixture thereto contains or will contain any Hazardous Substance in excess of any limit allowed under federal or state law or is constructed or will be constructed of any material which is a Hazardous Substance; that no enforcement actions have been commenced or threatened and no notices have been received by Borrower in any way relating to the environment or discharges into the environment, and Borrower has forwarded and will promptly forward to Mortgagee copies of all notices and documents with respect to the Property sent to or received from federal or state environmental agencies; that the operations of Borrower comply in all material respects with all applicable Environmental Laws; that Borrower has not filed any notice under any Environmental Law indicating past or present treatment, storage or disposal of a Hazardous Substance or reporting a spill or release of a

Hazardous Substance into the environment; that Borrower does not have any known material contingent liability in connection with any release of any Hazardous Substance into the environment; that Borrower shall give written notice to Mortgagee immediately upon receipt of any notice that (i) the operations of Borrower are not in full compliance with requirements of applicable Environmental Laws, (ii) Borrower is subject to federal or state investigation evaluating whether any remedial action is needed to respond to the release of any Hazardous Substance into the environment, or (iii) any properties or assets of Borrower are subject to an environmental lien, meaning a lien in favor of any governmental entity for any liability under any Environmental Laws or damages arising from or costs incurred by such governmental entity in response to a release of a Hazardous Substance into the environment; that Borrower shall defend, indemnify and hold Mortgagee harmless from any and all loss, cost, expense, damage or claim, of whatever nature, including but not limited to, attorneys' fees, legal assistants' fees, legal expenses and cleanup costs, paid or incurred by Mortgagee, or its directors, officers, employees or agents, which arise out of any misrepresentation or inaccuracy contained in or breach of this Section 4 or out of any environmental claim brought against Borrower or Mortgagee pertaining to the Property, and including, but not limited to, all costs of realizing upon and enforcing this indemnification and hold harmless agreement shall include, but not be limited to, any liability arising out of environmental impairment, pollution or contamination of or to the Property or the soils or groundwater thereof, the disposition of any Hazardous Substances on or off the Property, any claims in the nature of toxic tort, fear of illness or other health related claims and any claim relating to potentially responsible party status at any treatment, disposal, storage, recycling or reclamation site to which soils or other materials were taken during or after operations conducted on the Property, and any expenses of clean-up, disposition of any Hazardous Substance, removal of any underground storage tanks and the disposition of the same whether such expenses are incurred prior to or after an order is entered against the Property or Borrower by any administrative agency or court; and that the amounts payable to Mortgagee under this indemnification and hold harmless agreement shall become part of the Indebtedness and a lien upon the Property, payable by Borrower to Mortgagee upon demand, with interest per annum at the lesser of four percent (4%) in excess of the Prime Rate and the maximum rate permitted by applicable law. As used herein, the term "Environmental Laws" means the Resource Conservation and Recovery Act of 1987, the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien"

law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect. In this Mortgage, "Prime Rate" shall mean the Prime Rate as published in The Wall Street Journal.

5. If Borrower is a corporation, Borrower is duly organized, validly existing and in good standing and existence; that Borrower has full power and authority to enter into and perform its obligations under this Mortgage; and that the execution, delivery, and performance of this Mortgage by Borrower have been duly authorized by appropriate action and will not violate Borrower's articles of incorporation, by-laws, or require the approval of its members unless such approval has been given and remains in full force and effect.
6. To pay, when due, any taxes, assessments, insurance premiums and other charges (all called the "Charges") relating to the Property before the same become delinquent and will, when requested, deliver to Mortgagee satisfactory evidence of payment; that Borrower shall have the right to contest in good faith the validity or amount of any Charge, provided Borrower shall first deposit with Mortgagee a bond, letter of credit, certificate of deposit or other similar security reasonably satisfactory to Mortgagee in such amounts as Mortgagee shall reasonably require and provided further that Borrower shall thereafter diligently proceed to cause such Charge to be discharged. Upon request by Mortgagee, Borrower will, each month, in addition to any payments required on the Indebtedness, pay a sum equal to one-twelfth of the amount estimated by Mortgagee from time to time to be sufficient to enable Mortgagee to pay the Charges (calculated on an annual basis) at least thirty (30) days before they shall become due and upon demand by Mortgagee, Borrower will pay such additional sums required to make up any deficiency in the amount necessary to enable Mortgagee to fully pay such Charges when due; that such sums may be commingled with the general funds of Mortgagee, and no interest shall be payable to Borrower with respect thereto; and that upon the occurrence of an event of default, as hereinafter defined, Mortgagee may apply any funds of Borrower then held under this Section 6 against the Indebtedness in such manner as Mortgagee shall determine.
7. To cause all buildings, structures, improvements, fixtures and other insurable parts of the Property to be insured at all times against loss or damage by fire, windstorm and such other hazards as Mortgagee from time to time may require, in such reasonable

amounts and with such insurers as are acceptable to Mortgagee, and Borrower will cause all premiums on such insurance to be paid when due; that each insurance policy shall provide that loss shall be payable to Mortgagee and shall be in form acceptable to Mortgagee; that Borrower shall, promptly upon Mortgagee's request, deliver to Mortgagee copies of all insurance policies or other evidence of insurance as is acceptable to Mortgagee; that each such policy shall provide that at least thirty (30) days' prior written notice of any modification or cancellation shall be given to Mortgagee by the insurer; that each renewal of each such policy shall be delivered to Mortgagee at least thirty (30) days prior to its expiration.

In the event of any loss of or damage to the Property, Borrower will give immediate notice to Mortgagee and Mortgagee shall have the right to make proof of such loss or damage, if Borrower does not promptly do so. All proceeds payable under any insurance policy, whether or not endorsed payable to Mortgagee, shall be payable directly to Mortgagee. Mortgagee is authorized to settle, adjust or compromise any claims for loss or damage under any such policy.

In addition to the other insurance coverages required under the provisions of this Mortgage, Borrower agrees that if Mortgagee determines at any time that any portion of the Property is located in an area designated as a flood hazard area under the National Flood Insurance Program of the U.S. Department of Housing and Urban Development's Federal Insurance Administration, then Mortgagee may require at any time that flood insurance be obtained and thereafter kept in force and maintained by Borrower in accordance with the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973. Borrower agrees to immediately purchase and thereafter keep in force, pay for and maintain such insurance during the term of this Mortgage upon request of Mortgagee in an amount equal to the unpaid principal balance of the Indebtedness secured hereby or the maximum amount of coverage available, whichever is less. Borrower shall immediately give to Mortgagee written notice of any notice that it receives that the Property is in any way affected by the National Flood Insurance Program of the Department of Housing and Urban Development's Federal Insurance Administration, or such similar program as may hereafter exist.

To maintain the Property in good condition and repair; to not commit or suffer any waste; to not remove, demolish, or substantially alter any building, structure, improvement, or fixture without the prior written consent of Mortgagee; to comply

with all laws and regulations of any authority applicable to the Property, including without limitation all Environmental Laws; and to promptly pay when due all charges for utilities and other services to the Property.

8. If Borrower defaults in any of its covenants in Sections 6, 7 or 8, above, Mortgagee shall have the right to pay the Charges, procure and maintain insurance, or cause such other covenant to be performed, and all sums expended by Mortgagee in connection therewith shall become part of the Indebtedness and a lien upon the Property, payable by Borrower to Mortgagee upon demand, with interest per annum at the lesser of four percent (4%) in excess of the Prime Rate and the maximum rate permitted by applicable law. No such action by Mortgagee shall be deemed to relieve Borrower from any default hereunder or impair any right or remedy of Mortgagee, and the right of Mortgagee to take such action shall be optional and not obligatory. Mortgagee, and any persons Mortgagee permits, shall have the right to enter upon the Property at reasonable times for the purpose of inspecting, maintaining or taking any other action pursuant to the preceding sentence. Borrower's failure to pay the Charges when due, or to procure and maintain insurance, or to cause such other covenants to be performed, shall constitute waste and shall entitle Mortgagee to the appointment by a court of competent jurisdiction of a receiver of the Property for the purpose of preventing such waste, which receiver, subject to the order of the court, may collect the rents, income and profits from the Property and exercise such control over the Property as the court shall order.
9. Borrower agrees not to make any capital improvement to the Property in an amount greater than five percent (5%) of the Indebtedness then outstanding to Mortgagee without Mortgagee's prior written consent. Borrower also agrees not to incur any indebtedness to one or more parties in an amount greater than ten percent (10%) of the Indebtedness then owed to Mortgagee without the prior written consent of Mortgagee.
10. If all or any part of the Property is taken, whether temporarily or permanently, under power of eminent domain or by condemnation, the entire proceeds of the award or other payment in relief therefor shall be paid directly to Mortgagee, which shall render any surplus, after payment in full of the Indebtedness and all expenses, including attorneys' fees, legal assistants' fees and all legal expenses, to Borrower.
11. Upon the occurrence of any of the following events of default by Borrower, the Indebtedness shall, at the option of Mortgagee, become immediately due and payable

without notice or demand:

- (a) Borrower defaults in the payment of all or part of any installment of interest, principal, or premium (if any) on the Indebtedness when the same shall become due (whether by acceleration or otherwise), or defaults in the payment of any other obligation to Mortgagee whether now existing or hereafter incurred.
  - (b) Borrower, without the written consent of Mortgagee, sells, conveys, or transfers the Property, or any portion of the Property, or any interest in the Property, or any rents, or proceeds from the Property, or creates or suffers to exist any lien or other encumbrance to be placed upon the Property.
  - (c) All or any material part of the Property is damaged or destroyed by fire or other casualty, regardless of insurance coverage therefor, or is taken by condemnation or power of eminent domain.
  - (d) Borrower does not pay principal or interest on any other indebtedness for borrowed money when due.
  - (e) Any representation or warranty made in any of the Loan Documents or otherwise in writing furnished in connection therewith shall be false or inaccurate in any material respect when made.
  - (f) Any one or more of the covenants or agreements contained in any of the Loan Documents is violated, or any other default occurs under any of the Loan Documents.
  - (g) Any judgments are rendered against Borrower or Borrower agrees to settle any claim asserted against it, except as covered by insurance.
  - (h) Mortgagee determines that the Property is no longer being used by Borrower in accordance with The Book of Discipline of The United Methodist Church.
12. Mortgagee and its agents shall have the right to go upon and inspect the Property at any time during normal business hours to ascertain if Borrower is complying with the terms of this Mortgage. Mortgagee shall have all rights and remedies provided for in this Mortgage or otherwise permitted by law or in equity, including without limitation all of the rights and remedies of a secured party under the applicable Uniform

Commercial Code statutes to the extent such statutes are applicable to collateral hereby granted. In addition, without limiting the foregoing, upon the occurrence of an event of default defined above, Mortgagee shall have the right, and is hereby authorized:

- (a) To take possession of the Property, and, to the extent permitted by law, to act as a receiver or have a receiver appointed for Mortgagee's benefit with such powers as the court shall confer, to collect and receive all rents, income and profits, and other amounts that are due or shall hereafter become due under the terms of any leases, or other agreements, now or hereafter in effect, by which Borrower is, or shall be, leasing or selling the Property or any portion thereof or any interest therein, and to exercise any other right or remedy of Borrower under any such lease, or other agreement, provided, that Mortgagee shall have no obligation to make any demand or inquiry as to the nature or sufficiency of any payment received, or to present or file any claim, or take any other action to collect or enforce the payment of any amounts to which Mortgagee may become entitled hereunder, nor shall Mortgagee be liable for any of the Borrower's obligations under any such lease or other agreement.
- (b) To cause the abstract of title, lien searches, tax histories, and federal tax lien and bankruptcy and judgment searches with respect to the Property to be certified to current date, or to procure new searches in case none was furnished to Mortgagee, or to procure title insurance renewals in the event that title insurance was furnished to Mortgagee, and all sums expended therefor shall be part of the Indebtedness and a lien upon the Property, payable by Borrower to Mortgagee upon demand, with interest per annum at the lesser of four percent (4%) in excess of the Prime Rate and the maximum rate permitted by applicable law.
- (c) To foreclose this Mortgage by action pursuant to applicable laws, and all expenses including attorneys' and legal assistants' fees and legal expenses of foreclosure shall be additional Indebtedness secured hereby.
- (d) To visit the Property and perform or cause to be performed environmental site investigations and assessments ("Site Assessments") on the Property for the purpose of determining whether there exists on the Property any environmental condition which could result in any liability, cost or expense to the owner or occupier of the Property. Such Site Assessments may include both above and



below the ground testing as may be necessary to properly conduct the Site Assessments in the opinion of the persons conducting the Site Assessments (the "Site Reviewers"). Borrower hereby covenants to supply to the Site Reviewers such historical and operational information regarding the Property as may be requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The cost of performing all Site Assessments shall be paid by Borrower within five days after demand by Mortgagee, and thereafter shall bear interest per annum at the lesser of four percent (4%) in excess of the Prime Rate and the maximum rate permitted by applicable law, and such cost shall be part of the Indebtedness and a lien upon the Property.

(e) To bring any other suit, action or proceeding at law or in equity to enforce its rights with respect to the Indebtedness.

13. Mortgagee, at its option, may extend the time for the payment of the Indebtedness, or reduce the payment thereon, or accept a renewal note or notes therefor, without the consent of any endorser, guarantor or junior lien holder and without the consent of Borrower if Borrower has conveyed title to the Property; and any such extension, reduction or renewal shall not affect the priority of this Mortgage or impair the security hereof in any manner, or release, discharge, or affect in any manner the liability of Borrower, or any endorser or guarantor, to Mortgagee. Any part of the Property may be released by Mortgagee without affecting the lien and security interest hereby granted as to the remainder, and the security of this Mortgage shall not affect or be affected by any other security for the Indebtedness nor shall the taking of additional security release or impair the security hereof or the liability of Borrower, or any endorser or guarantor, for the Indebtedness.
14. Borrower waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety or in parcels.
15. Time is of the essence of this Mortgage and all rights and remedies of Mortgagee under this Mortgage, whether or not exercisable only on default, shall be cumulative and in addition to those other rights provided by law and may be exercised from time to time, and no delay or omission by Mortgagee in the exercise of any right or remedy

shall waive that right or remedy, and no single or partial exercise of any right or remedy shall preclude other or further exercise of that right or remedy or the exercise of any other right or remedy. No waiver by Mortgagee under this Mortgage shall be effective unless in writing.

16. Borrower shall pay to Mortgagee, on demand, any and all expenses, including reasonable attorneys' fees, reasonable legal assistants' fees and reasonable legal expenses, paid or incurred by Mortgagee in collecting or attempting to collect the Indebtedness, or in protecting and enforcing the rights of and obligations to Mortgagee under any provision of this Mortgage, including, without limitation, the cost of Site Assessments and the costs of taking any action in any bankruptcy, insolvency, or reorganization proceedings concerning Borrower or foreclosing this Mortgage, and all such expenses shall be part of the Indebtedness and a lien upon the Property, payable by Borrower to Mortgagee upon demand, with interest per annum at the lesser of four percent (4%) in excess of the Prime Rate and the maximum rate permitted by applicable law.
17. In the event of the payment to Mortgagee, of any rents, issues, income, profits, proceeds, proceeds of insurance, condemnation or eminent domain awards, or from sale of the Property at foreclosure, or otherwise coming to Mortgagee under the provisions of this Mortgage, Mortgagee shall have the right to apply such payment in such amounts and proportions as Mortgagee shall in its sole discretion determine, to the costs and expenses paid or incurred by Mortgagee, including attorneys' and legal assistants' fees and legal expenses, and to full or partial satisfaction of any or all of the Indebtedness, including any contingent or secondary obligations, whether or not the same shall then be due and payable by the primary obligor. In lieu of such application to the Indebtedness, Mortgagee shall have the right, but not the obligation, to require all or part of the proceeds of insurance or condemnation or eminent domain award to be used to repair, restore or rebuild any part of the Property damaged or destroyed by reasons of the occurrence, which gave rise to such payment.
18. All notices to Borrower and Mortgagee shall be deemed given when mailed by first class mail, postage prepaid, to the respective addresses of Borrower and Mortgagee as shown above or such other address as is provided by such notice, or if and when delivered personally.
19. Any provisions of this Mortgage prohibited or unenforceable under any applicable law

shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Mortgage. All reference herein to this Mortgage shall include all amendments and modifications of the same.

20. The person executing this Mortgage on behalf of any Borrower hereby personally represents and warrants to Mortgagee that he or she is authorized to do so and that this Mortgage is fully enforceable against the Borrower, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws of general application, relating to or affecting the enforcement of creditor's rights from time to time in effect. For breach of this warranty, such persons shall be liable to Mortgagee for all losses, damages and costs of collection of the same, including but not limited to attorneys' and legal assistants' fees and legal expenses.
21. This Mortgage shall run with the Property and inure to the benefit and bind Mortgagee and Borrower, their successors, assigns, heirs, and personal representatives. This Mortgage constitutes and is effective as a Uniform Commercial Code fixture filing. The terms of this Mortgage shall be interpreted, construed and governed by the laws of the State of Indiana.
22. Borrower agrees to give Mortgagee written notice, by registered or certified mail, of any action or inaction by Mortgagee or any agent or attorney of Mortgagee in connection with the Loan Documents or the transactions contemplated by the Loan Documents that may be actionable against the Mortgagee or any agent or attorney of Mortgagee or a defense to payment of the Indebtedness for any reason, including, but not limited to, commission of a tort or violation of any contractual duty or duty implied by law. Borrower agrees that unless such notice is given as promptly as is reasonably possible (and in any event within one hundred eighty (180) days) after Borrower has knowledge or with the exercise of reasonable diligence should have had knowledge of any such action or inaction, Borrower shall not assert, and Borrower shall be deemed to have waived, any such claim or defense.

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EXHIBIT A

Legal Description of  
Real Estate

Real estate located in Lake County, in the State of Indiana, to-wit:

2016 Church Street, Dyer, IN

Lots 1 through 4, both inclusive, and lot 5, except the east 150 feet thereof, Bukowski's Church Street Addition to Dyer, as shown in Plat Book 28, Page 4, in Lake County, Indiana.

441 Northgate Drive, Dyer, IN

Lot 267 and Westerly 3 feet of Lot 266 in Northgate 4<sup>th</sup> Addition to the Town of Dyer, as per plat thereof, recorded in Plat Book 41 page 103, in the Office of the Recorder of Lake County, Indiana.

13501 109<sup>th</sup> Avenue, Dyer, IN

The East 4 acres of the East One Half of the Northwest 1/4 of Section 7, Township 34 North, Range 9 West of the Second Principal Meridian and also that part of the West One Half of the Northeast 1/4 of said Section 7, being more particularly described as follows: Beginning at the Northwest corner of the Northeast 1/4 of said Section 7,; thence South 90 degrees 00 minutes 00 seconds East, along the North line of said Section 7, a distance of 262.90 feet; thence South 00 degrees 24 minutes 13 seconds West, parallel to the West line of the Northeast 1/4 of said Section 7, a distance of 2,561.65 feet, to a point on the South line, of the West One Half of the Northeast 1/4 of said Section 7; thence North 89 degrees 46 minutes 10 seconds West, along the said South line of the West One Half of the Northeast 1/4 of said Section 7, a distance of 328.63 feet, to a point on the West line, of the East 4 acres of the East One Half of the Northwest 1/4 of said Section 7; thence North 00 degrees 24 minutes 13 seconds East, along the said West line of the East 4 acres of the East One Half of the Northwest 1/4 of said Section 7, a distance of 2650.33 feet, to a point on the North line of said Section 7, thence South 90 degrees 00 minutes 00 seconds East, along said North line of said Section 7, a distance of 65.74 feet to the Point of Beginning, all in Hanover Township in Lake County, Indiana.

EXHIBIT B

Permitted Encumbrances

None

