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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2015 MAY 12 AM 10:00

MICHAEL B. GRIFFIN  
RECORDER

**REAL ESTATE MORTGAGE AND SECURITY AGREEMENT**

This Real Estate Mortgage and Security Agreement is dated 10/01/2014, and is executed by **Clint Johnson, LLC, an Indiana Limited Liability Company** ("Mortgagor") in favor of

**An Undivided 1/2 interest as to Jerry J. Johnson and Karen M. Johnson, Trustees, or their successors in trust, under the Jerry J. Johnson Living Trust, dated April 10, 2000 and any amendments thereto;**

**AND**

**An undivided 1/2 interest as to Karen M. Johnson and Jerry J. Johnson, Trustees, or their successors in trust, under the Karen M. Johnson Living Trust, dated April 10, 2000, and any amendments thereto ("Mortgagee").**

In consideration of the sum of Ten Dollars (\$10.00) and other sufficient consideration, receipt of which is hereby acknowledged, Mortgagor MORTGAGES and WARRANTS to Mortgage the real estate described on Exhibit A attached hereto, together with the buildings, structures and other improvements now or hereafter situated on or used in connection therewith, all rights, privileges, interests, easements, tenements, hereditaments and appurtenances thereunto appertaining, all fixtures and appliances (including signs) now or hereafter attached thereto or used in connection therewith, and the rents, issues, income and profits thereof (all of which are referred to herein as the "Mortgaged Property"), and grants to Mortgagee a security interest therein.

Mortgagor further grants to Mortgagee a security interest, mortgage and lien on:

A. All articles of tangible personal property and any additions to, substitutions for, changes in or replacements of the whole or any part thereof, including without limitation all wall-safes, built-in furniture and installations, shelving, partitions, vaults, elevators, dumb-waiters, awnings, window shades, venetian blinds, light fixtures, fire hoses and brackets and boxes for the same, fire sprinklers, alarm systems, drapery rods and brackets, screens, water heaters, incinerators, wall coverings, carpeting, linoleum, tile, other floor coverings of whatever description, communication systems, all specifically designed installations and furnishings, store maintenance and other supplies and all other articles of property, now or at any time hereafter



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placed upon or used in any way in connection with the ownership, operation or maintenance of the Mortgaged Property or any portion thereof and owned by Mortgagor or in which Mortgagor now has or hereafter acquires an interest and all building materials and equipment now or hereafter delivered to the Mortgaged Property and intended to be installed or placed in or about the Mortgaged Property (hereinafter referred to as the "Personal Property"). Notwithstanding the breadth of the foregoing, the Personal Property shall not include: (i) personal property which may be owned by lessees or other occupants and their customers or which may be leased by such lessees or other occupants of the Mortgaged Property from third parties, unless such personal property is subsequently acquired by Mortgagor; (ii) material, equipment, tools, machinery or other personal property which is brought upon the Mortgaged Property only for use in construction, maintenance or repair and which is not intended to remain after the completion of such construction, maintenance or repair and which is not necessary for ownership, occupancy or property maintenance of the Mortgaged Property; or (iii) such items of tangible personal property which have not been purchased or installed with the proceeds of the Promissory Note and with respect to which Mortgagee shall have executed express, written agreements to subordinate Mortgagee's lien or security interest in such tangible personal property.

B. All right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, road, alley or public place, opened, proposed or vacated, by law or otherwise, and all easements and rights-of-way, public or private, tenements, hereditaments, appurtenances, rights and appurtenances now or hereafter located upon the Mortgaged Property or now or hereafter used in connection with or now or hereafter belonging or appertaining to the Mortgaged Property, all of which shall be included within the definition of "Mortgaged Property".

C. All judgments, settlements and any and all proceeds derived from such hereafter entered or made as a result of or in lieu of taking of the Mortgaged Property, any part thereof, interest therein or any rights appurtenant thereto under the power of eminent domain or purchase in lieu thereof, or for any damages, whether caused by such taking or otherwise, to the Mortgaged Property, including change of grade of streets, curb cuts or other right of access for any public use or purpose under any law.

D. All rents, income, profits, revenues, royalties, bonuses, rights, accounts, contract rights, insurance policies and proceeds thereof, general intangibles and benefits of the Mortgaged Property or the Personal Property or arising from any lease or similar agreement pertaining thereto, and all right, title and interest of Mortgagor in and to all leases of the Mortgaged

Property or the Personal Property now or hereafter entered into and all right, title and interest of Mortgagor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by lessees of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of said leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of said terms with the right to receive and apply the same to said indebtedness (the "Rents and Profits").

E. All proceeds from the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

F. All contract rights relating to all or any part of the Mortgaged Property, including, but not limited to construction agreements.

All of the foregoing, together with the Mortgaged Property, is sometimes collectively referred to as the "Collateral."

Reference is hereby made to that certain Mortgage Note Loan Agreement dated 10/01/2014 between Mortgagor as Borrower and Mortgagee as Lender and Clint Johnson, LLC as Guarantor, (as may be amended from time to time hereafter, the "Mortgage Note Loan Agreement"). The terms and conditions of such Mortgage Note Loan Agreement are incorporated into this Mortgage by this reference.

This Mortgage is made, and the security interest granted herein is granted, to secure the following:

AA. the payment, promptly when due, of all of the loan indebtedness (including 5% interest and reasonable attorneys' fees and costs of collection) now or hereafter arising under the Mortgage Note Loan Agreement and the Instruments, as defined therein (whether or not evidenced by promissory notes made pursuant thereto), including without limitation, the Promissory Note dated 10/01/2014 in the amount of \$85,000.00 executed by Mortgagor, the last installment of which is due and payable on or before 10/01/2019, and all extensions, replacements, modifications, consolidations, continuations and renewals thereof. Loan amortized over 5 years

BB. the observance and performance of all other obligations to be observed and performed by Mortgagor under the Mortgage Note Loan Agreement, under any agreement or



instrument executed pursuant to the Mortgage Note Loan Agreement, or under this Mortgage, and

CC. all costs and expenses incurred in the collection and enforcement of the indebtedness and obligations secured hereby, and all costs and expenses incurred in the foreclosure of this Mortgage, including (without limitation) reasonable attorneys' fees, costs of environmental assessments, costs of abstracting or title insurance, appraisal fees, expenses of survey and expenses of publication of notice.

1. **PERFECTION OF SECURITY INTEREST IN FIXTURES.** Mortgagor further grants to Mortgagee a security interest, mortgage and lien on the Collateral and this Mortgage is intended to also serve as a Security Agreement. With respect to all fixtures included within the definition of the Mortgaged Property hereunder and with respect to all Personal Property which are or are to become fixtures, this Mortgage will constitute a financing statement under the Indiana Uniform Commercial Code. It is intended that as to such fixtures and the proceeds thereof, this Mortgage will be effective as a financing statement filed as a fixture filing in the real estate records of the county in which the Real Estate is located. The Real Estate affected by this Mortgage is described in Exhibit A. The owner of record of such Real Estate is Mortgagor. Information concerning the interest of Mortgagee in such fixtures may be obtained from Mortgagee at its address set forth in this Mortgage. Mortgagor hereby authorizes Mortgagee to execute and file (in such offices as may be necessary for the purpose) any additional financing statements as it may deem appropriate to perfect the security interest in fixtures or personal property granted herein, without Mortgagor's signature thereon. For purposes of this fixture filing, Mortgagor is the Debtor and Mortgagee is the Secured Party.

2. **DEFAULT.** In the event that any indebtedness secured hereby or any installment thereof is not paid promptly when due or within the grace period, if any, allowed for the payment thereof, or in the event that Mortgagor or any other party to the Mortgage Note Loan Agreement or any document executed in connection therewith fails to observe or perform any obligation to be observed or performed by them under the Mortgage Note Loan Agreement or any document executed in connection therewith and fails to cure such default within the grace period, if any, allowed for the cure thereof, Mortgagee may (at its option) without notice or demand, declare the entire balance of said indebtedness to be immediately due and payable and may forthwith commence an action to foreclose this Mortgage in any court of competent jurisdiction. And it is further agreed that, in such foreclosure action, Mortgagee will be entitled as a matter of right to the appointment, ex parte and without notice, of a receiver to take possession of the Mortgaged

Property, and to receive and collect the income, rents, issues and profits thereof, and to lease the same if the same is not then under lease, and all sums received and collected by said receiver will be applied first to the payment of the costs and expenses of such receivership, next to the costs (including reasonable attorneys' fees) of said foreclosure action, next to the payment of unpaid real estate taxes and assessments, next to the payment of interest accrued in the indebtedness secured hereby, and finally to the payment of the unpaid principal balance of the indebtedness secured hereby. The foregoing remedies will be in addition to all other remedies available to Mortgagee at law or in equity.

3. **EFFECT OF WAIVER OR RELEASE.** The failure of Mortgagee to exercise any right or remedy available to it hereunder will not constitute a waiver of such right or remedy for any continuing or repeated default, and will not bar Mortgagee from the exercise of such right or remedy or any other right or remedy available to it hereunder.

4. **NOTICES.** All notices to be given pursuant to this Mortgage will be sufficient if given by personal service, or by guaranteed overnight delivery service, or by telecopy, or by postage prepaid mailing by certified or registered mail with return receipt requested, to the parties as set forth below, or to such other address as a party may request by notice given pursuant to this Section. Any time period provided in the giving of any notice hereunder shall commence upon the date of personal service, the day after delivery to the guaranteed overnight delivery service, the day after sending the telecopy or two (2) days after mailing certified or registered mail. However, any failure to give notice in accordance with the terms of this Section will not invalidate such notice if such notice was in fact in writing and actually received by the party to whom it was directed.

Mortgagor: Name Clint Johnson, LLC  
Address 3515 W. 150th Lane  
Crown Point, In. 46307

Mortgagee: Name Jerry J. & Karen M. Johnson  
Address 3450 E. 117th Ave.  
Crown Point, In. 46307

5. **COLLECTION COSTS.** Mortgagor will be obligated to pay any and all costs incurred in the collection of the indebtedness secured hereby and in the foreclosure of this Mortgage and the sale of the Mortgaged Property as such costs are incurred. As used herein, the term "costs incurred in collection" means all costs and expenses reasonably incurred by Mortgagee in or in connection with the foreclosure of this Mortgage or the sale of the Mortgaged

Property, including (without limitation) court costs, sheriff's or marshall's fees, fees for publication of notice, reasonable attorneys' fees, abstracting fees, title insurance premiums, appraisal fees, surveyor's fees, environmental assessment fees and costs incurred in remediating any contamination of the Mortgaged Property.

6. **VALUATION AND APPRAISEMENT.** All sums payable under this Mortgage shall be without relief from valuation and appraisal laws.

7. **EMINENT DOMAIN.** Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for the taking of the Mortgaged Property or any portion thereof under the power of eminent domain, shall notify Mortgagee thereof. Mortgagee may, at its option, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement in connection with such proceeding, and Mortgagor appoints Mortgagee as Mortgagor's true and lawful attorney for such purposes, such power being coupled with an interest. After deducting all of its expenses, including reasonable attorneys' fees, Mortgagee may elect, in its sole discretion and notwithstanding the fact that the security given hereby may not be impaired by a partial condemnation, to apply any part or all of the proceeds of the award, in such order as Mortgagee may determine, in reduction of the Indebtedness, whether due or not. Any application of all or a portion of the proceeds of any such award to the Indebtedness shall not cure or waive any default hereunder or invalidate any act done pursuant to any notice of default. Mortgagor agrees to execute such further assignments of any compensation, award, damages, right of action and proceeds as Mortgagee may require.

8. **DAMAGE OR DESTRUCTION.** Mortgagor will give Mortgagee prompt notice of damage to or destruction of any improvements on the Mortgaged Property or to personal property used in the operation of the Mortgaged Property and in case of loss covered by policies of insurance, Mortgagee is hereby authorized to make proof of loss if not promptly made by Mortgagor or the lessees under any lease of any portion of the Mortgaged Property ("Lease" or "Leases"). Any expenses incurred by Mortgagee in the collection of insurance proceeds, together with interest thereon from the date of such expense at the Default Rate set forth in the Promissory Note, shall be added to and become a part of the Indebtedness and shall be reimbursed by Mortgagor to Mortgagee immediately upon demand. Such net proceeds may be applied by Mortgagee, upon or in reduction of the Indebtedness then most remotely to be paid, without a prepayment fee, or to the cost of rebuilding or restoration of the improvements on the Mortgaged Property. However, if Mortgagee shall require that the improvements on the Mortgaged Property be repaired or rebuilt, then the repair, restoration, replacement or rebuilding



of the improvements on the Mortgaged Property shall be to a condition of at least equal value as prior to such damage or destruction, and such net proceeds of insurance shall be made available therefor under the conditions and in the manner set forth below.

So long as no default exists under the Promissory Note, the Guaranties, the Mortgage, the Leases or under any Instruments, and provided any loss or damage cannot, in the sole judgment of Mortgagee, result in the termination, cancellation or modification of the Leases, and if the Leases so require and the insurers do not deny liability as to the insureds, such insurance proceeds, after deducting expenses incurred in collection, shall be made available under the conditions and in the manner specified in the following paragraph, for the repair, restoration, replacement or rebuilding of improvements on the Mortgaged Property to a condition of at least equal value as existed prior to such damage or destruction. Otherwise, such net proceeds may be applied by Mortgagee, in its sole discretion, upon and in reduction of the Indebtedness then most remotely to be paid in inverse chronological order, or to the cost of rebuilding or restoration of the Mortgaged Property or personal property. However, if Mortgagee shall require that the Mortgaged Property be repaired or rebuilt in accordance with this Agreement, such net proceeds of insurance shall be made available therefor under the conditions and in the manner set forth below.

Insurance proceeds made available for restoration, repair, replacement or rebuilding of the improvements on the Mortgaged Property shall be disbursed from time to time (provided no default exists in the Promissory Note or in this Agreement or in any of the Instruments or any Lease at the time of each disbursement), after first deducting the expenses of disbursement including, without limitation, reasonable attorneys' fees, costs of title insurance, escrows and closings by the title company and fees and expenses of the disbursing party, upon the disbursing party being provided with satisfactory evidence of the cost of completion of such work and of the diligent and timely prosecution thereof and with architect's certificates, waivers of lien, contractors' and subcontractors' sworn statements and other evidence of costs and payments so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of all mechanics' lien claims. No payment made prior to the final completion of such restoration, repair, replacement or rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party, together with funds deposited for the purpose or irrevocably committed for such purpose, shall be sufficient in the reasonable judgment of Mortgagee, to pay for the cost of completion of all such restoration, repair, replacement or rebuilding. Mortgagee may require that

plans and specifications for the restoration, repair, replacement or rebuilding be submitted to and approved by Mortgagee prior to the commencement of the work. Any surplus which may remain out of said insurance proceeds after payment of costs of building and restoration may, at the option of Mortgagee, be applied either on account of the Indebtedness then most remotely to be paid in inverse chronological order, without a prepayment fee, or be paid to any person or persons otherwise entitled thereto. Application or release of proceeds under the provisions hereof shall not cure or waive any default hereunder or invalidate any act done pursuant to any notice of default. No interest shall be allowed on account of any such proceeds or other funds held in the hands of Mortgagee or the disbursing party.

9. **WAIVER OF JURY TRIAL. EACH OF THE MORTGAGOR AND THE MORTGAGEE HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS MORTGAGE, THE LOAN AGREEMENT, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**

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

10. **MISCELLANEOUS.** This Mortgage will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. THIS MORTGAGE AND ALL RIGHTS AND OBLIGATIONS HEREBY, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF INDIANA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. Whenever possible each provision of this Mortgage will be interpreted in such a manner as to be effective and valid upon applicable law, but if any provision of this Mortgage will be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

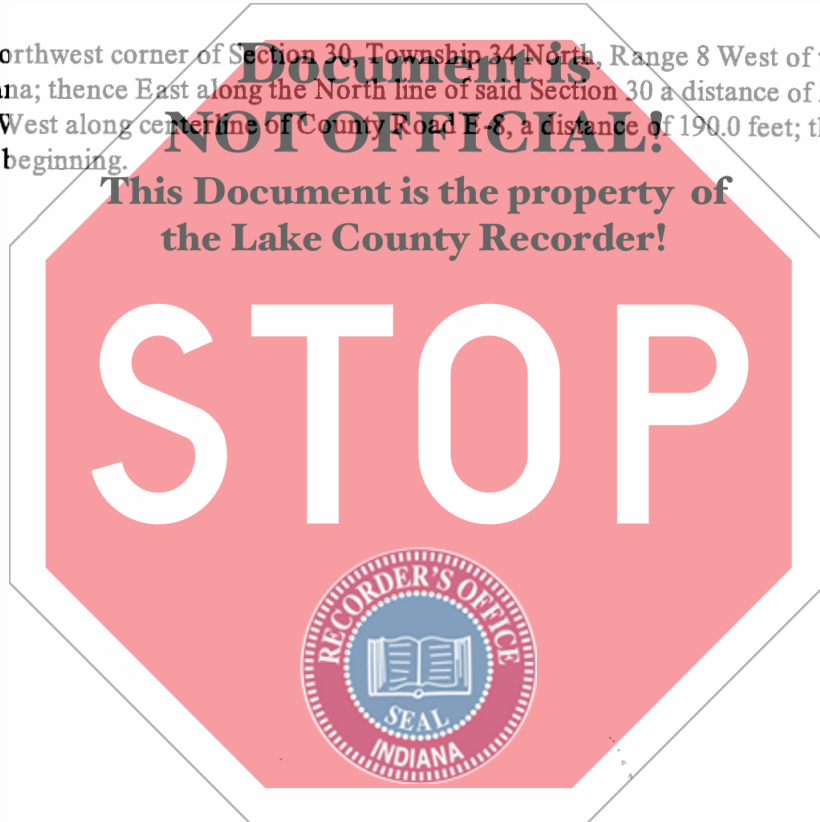
11. It is noted that the mortgagee has an Indiana Real Estate Brokers License.



LEGAL DESCRIPTION

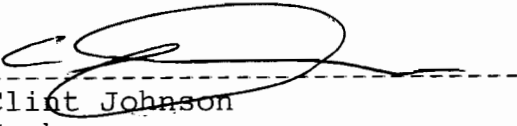
Parcel I: A triangular tract of land in the Northwest 1/4 of Section 30, Township 34 North, Range 8 West of the 2nd Principal Meridian, described as follows: Beginning at the Northwest corner of said 1/4 Section; thence South along the West line thereof, 295.16 feet; thence East 20 feet, more or less, to a point in the centerline of County Road E-8; thence North 41 degrees 6 minutes East along said centerline to a point which is 190 feet Southwesterly from the North line of said 1/4 Section as measured along said centerline of County Road E-8; thence Northwest along a straight line to the place of beginning, in Lake County, Indiana.

Parcel II: Beginning at the Northwest corner of Section 30, Township 34 North, Range 8 West of the 2nd Principal Meridian, Lake County, Indiana; thence East along the North line of said Section 30 a distance of 282.5 feet; thence South 41 degrees 06 minutes West along centerline of County Road E-8, a distance of 190.0 feet; thence Northwesterly to the place of beginning.



Mortgagor is signing this Mortgage on the date stated in the introductory paragraph.

Clint Johnson, LLC

By  \_\_\_\_\_  
Clint Johnson  
Member

STATE OF INDIANA )

SS:

JASPER COUNTY )

Before me, the undersigned Notary Public, personally appeared Clint Johnson, Member for Clint Johnson, LLC, an Indiana Limited Liability Company, who acknowledged the execution of the foregoing instrument and swore to the truth of the statements made therein.

**Document is NOT OFFICIAL!**  
This Document is the property of the Lake County Recorder!

Witness my hand and Notarial Seal this 1st day of October, 2014

**STOP**



My Commission Expires: 2016

County of Residence: JASPER



This instrument was prepared by: Clint Johnson