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REAL ESTATE MORTGAGE

*Miller Realty
102 N. 1st
Crown Pt. Ind.*

THIS INDENTURE WITNESSETH THAT VIRGINIA L. JOHNSTON, of Lake County, Indiana, as "Mortgagor", mortgages and warrants to ALLEN T. MILLER and D'MARIS J. MILLER, of Lake County, Indiana, as "Mortgagee", the following real estate in Lake County, State of Indiana, to-wit:

Lot 10 in Woodland Manor Unit 2, to the Town of Lowell, as per plat thereof, recorded in Plat Book 42, page 20, in the Office of the Recorder of Lake County, Indiana.

and commonly known as 1541 Northwood Street, Lowell, Indiana 46356,

as well as the rents, profits and any other income which may be derived therefrom, to secure the performance of all conditions and stipulations of this agreement and:

A. To secure the payment, when the same shall become due, of the following indebtedness of even date herewith: A promissory note executed by Virginia L. Johnston in the amount of Thirty-Two Thousand Dollars (\$32,000.00) payable as provided therein, which note is payable in full on January 15, 2011, with interest at the rate of eleven and seven-eighths percent (11 7/8%) per annum computed monthly during such period when there shall be no delinquency or default in the payment of any moneys to be paid on this obligation but with interest at the rate of fourteen percent (14%) per annum computed monthly during such period when there shall be any delinquency or default in the payment of any moneys to be paid on this obligation and to be computed to the next interest period following such delinquency or default, and said rate shall continue to be paid until all delinquencies and defaults are removed by the beginning of a succeeding interest period, all without relief from valuation and appraisements laws, and with attorney's fees;

B. Also securing any renewal or extension of such indebtedness;

C. Also securing all future advances to the full amount of this mortgage;

D. Also securing all indebtedness or liabilities incurred by the holder of this mortgage for the protection of this security or for the collection of this mortgage.

Mortgagor agrees to pay to Mortgagee, in addition to the regular payments, an amount in equal monthly installments which will cover future payments of taxes, insurance and assessments against said real estate; and these payments shall constitute a trust fund out of which all future taxes, insurance and assessments shall be paid by Mortgagee so far as it shall cover such payments, and any deficiency shall be paid by Mortgagor as and when the payments become due, and any permanent surplus shall be credited to the principal. Such payments shall be paid to the Southlake National Bank in escrow, along with the regular payments.

Mortgagor further covenants and agrees as follows:

1. To keep all buildings, fixtures and improvements on said premises, now or hereafter erected thereon, and all equipment attached to or used in connection with the fixtures on said premises herein mortgaged, insured against loss or damage by fire, windstorm and extended coverage in such sums and with such insurers as may be approved by Mortgagee as a further security for said indebtedness, which insurance policy or policies shall carry a mortgage clause with loss payable to Mortgagee in form satisfactory to Mortgagee to be delivered to possession of Mortgagee to be held continuously through the period of the existence of said indebtedness or any portion thereof.

2. To exercise due diligence in the operation, management and occupation of said real estate and improvements thereon and not to remove or suffer to be removed any

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LAKE COUNTY
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fixtures and/or appliances, now or hereafter placed on said premises and to keep said real estate and improvements thereon in their present condition and repair, normal and ordinary depreciation excepted; Mortgagor shall not do or suffer to be done any acts which will impair the security of this mortgage nor any illegal or immoral acts on said premises; and Mortgagee shall have the right to inspect said premises at all reasonable times.

3. The holder of this obligation may renew the same or extend the time of payment of the indebtedness or any part thereof or reduce the payments thereon; and any such renewal, extension or reduction shall not release any maker, endorser, or guarantor from any liability on said obligation.

4. No sale of the premises hereby mortgaged or extension of time for the payment of the debt hereby secured shall operate to release, discharge or modify in any manner the effect of the original liability of the Mortgagor; and any extension of time on this mortgage by Mortgagee or his assigns, without the consent of the holder of any junior lien or encumbrance, shall not operate to cause a loss of the priority of this mortgage over such junior lien. Mortgagee shall be subrogated to any lien or claim paid by moneys advanced and hereby secured.

5. In any case any part of the premises is appropriated under the power of eminent domain, the entire amount paid for said portion of the premises so appropriated shall be paid to this Mortgagee.

6. It is agreed that time is the essence of this agreement and that, in case of default in the payment of any installment within thirty (30) days after the same shall become due and payable, the holder of the note and mortgage may, at his option, declare all of the debt due and payable, and any failure to exercise said option shall not constitute a waiver of right to exercise the same at a later date. In the event any proceedings shall be instituted on any junior lien or encumbrance against said real estate, then the Mortgagee herein may immediately declare this mortgage due and payable and institute such proceedings as may be necessary to protect his interest. The lien of this mortgage shall include all heating, plumbing and lighting or other fixtures now or hereafter attached to or used in connection with said premises.

7. In the event of such foreclosure, the Mortgagee, or his assigns, may apply for the appointment of a receiver, which receiver is hereby authorized to take possession of the said real estate, collect the rents, income or profit, in money or in kind, and hold the proceeds subject to the order of the Court for the benefit of the Mortgagee pending foreclosure proceedings. Said receiver may be appointed irrespective of the value of the mortgaged property or its adequacy to secure or discharge the indebtedness due or to become due. The Mortgagor hereby consents to the appointment thereof.

8. All terms of this mortgage shall be binding on each and all successors in ownership of said real estate, as well as upon all heirs, executors, administrators of Mortgagor, or successors in ownership.

9. The following words and terms, as used in this mortgage, shall have the following meanings unless the context or use indicates another meaning:

- a. Mortgagee or Wraparound Mortgagees: Allen T. Miller and D'Maris J. Miller successors and assigns;
- b. First Mortgagee: Lowell National Bank, Lowell, Indiana, its successors and assigns;
- c. Wraparound Mortgagor: Virginia L. Johnston.

10. This mortgage is a wraparound second mortgage. It is inferior to a certain mortgage, herein called the first mortgage, which covers the above-described property and which was executed on May 28, 1977, by Lewis W. Koning and Vicky Sue Koning, husband and wife, to Lowell National Bank, Lowell, Indiana, which Bank is herein called

615771

First Mortgagee, and which first mortgage was recorded on June 6, 1977, as Document No. 410327 in the Office of the Recorder of Lake County, Indiana. Such first mortgage was given to secure the payment of the principal sum of Twenty-Eight Thousand Dollars (\$28,000.00), as evidenced by a promissory note executed by Virginia L. Johnston, dated May 28, 1977, payable to the order of the First Mortgagee, the terms of which promissory note are incorporated herein by reference. Wraparound Mortgagor warrants that the balance due on the first mortgage as of January 1, 1981, is Twenty Seven Thousand Two Hundred Forty Dollars and 61/100 (\$27,240.61), (after application of the payment due January 1, 1981).

With respect to the first mortgage, Wraparound Mortgagor and Wraparound Mortgagee agree as follows:

- (a) There exists no default or any event that would constitute a default under the first mortgage, and the information set forth above with respect to the first mortgage is accurate in every respect.
- (b) Wraparound Mortgagor will pay directly to the First Mortgagee, its successors and assigns, the installments of principal and interest required by the first mortgage in accordance with the terms of the first mortgage note, and will pay the difference between the payments on the first mortgage note and the wraparound mortgage note to the Wraparound Mortgagee, its successors and assigns.
- (c) Wraparound Mortgagee will do all things necessary and proper to advise First Mortgagee that payments of principal and interest and other items required by the first mortgage will be paid by Wraparound Mortgagor, his successor and assigns, and shall request that copies of all notices and correspondence concerning the first mortgage be directed to Wraparound Mortgagor and Wraparound Mortgagee.
- (d) Wraparound Mortgagor will render such performance to the First Mortgagee as may be required of Wraparound Mortgagee by the terms of the first mortgage.
- (e) Wraparound Mortgagor will not enter into any agreement with First Mortgagee deferring or extending any of the provisions of the first mortgage without the prior written consent of Wraparound Mortgagee, which consent shall not be unreasonably withheld.
- (f) If an event of default occurs under this wraparound mortgage or under the first mortgage, Wraparound Mortgagee may, at his option, make any payment or perform any act required under the first mortgage in any form and manner deemed expedient by Wraparound Mortgagee and may make full or partial payments of principal or interest on the first mortgage, and purchase, discharge, compromise, or settle the first mortgage. In the event Wraparound Mortgagee makes any such payments to the First Mortgagee, Wraparound Mortgagee shall be subrogated to the rights of First Mortgagee against Wraparound Mortgagor and the property which is subject to the first mortgage.
- (g) If for any reason the indebtedness secured by the first mortgage is accelerated or the mortgaged property or any part thereof is foreclosed or attempted to be foreclosed pursuant to such first mortgage, or any remedial action or proceeding is taken or instituted in respect of the mortgaged property or any part thereof under the first mortgage, Wraparound Mortgagor will indemnify Wraparound Mortgagee against any loss, cost or expense incurred by Wraparound Mortgagee on account of the acceleration of the first mortgage, the sale of the mortgaged property pursuant to foreclosure or Wraparound Mortgagee's purchase or payment of the first mortgage.
- (h) In consideration of the execution and delivery of the mortgage note secured by this wraparound mortgage, Wraparound Mortgagee does hereby transfer and

615771

assign such portion of the monthly installments of principal and interest due on the wraparound mortgage note to First Mortgagee as additional security to First Mortgagee and hereby directs Wraparound Mortgagor to pay to the account of Wraparound Mortgagee all monthly payments due on such first mortgage note. This assignment shall continue until such time as the first mortgage has been paid in full.

- (i) The monthly payments due from Wraparound Mortgagor to Wraparound Mortgagee pursuant to the note secured by this wraparound mortgage shall be paid at Southlake National Bank, Lowell, Indiana, by check payable to the order of Southlake National Bank. Wraparound Mortgagee agrees that such payments shall be applied monthly on the payments due on the first mortgage and any amounts remaining after the required monthly payment has been made on the first mortgage shall be deposited to the credit of Wraparound Mortgagee at an account to be established at the Southlake National Bank. All payments of principal and interest made by Wraparound Mortgagor shall be applied in payment of principal and interest on the wraparound mortgage, whether or not such payments are applied in payment of principal and interest on the first mortgage.
- (j) Wraparound Mortgagor grants Wraparound Mortgagee permission to secure from the First Mortgagee, from time to time, records of payments made by Wraparound Mortgagor on the first mortgage.
- (k) If pursuant to the first mortgage, insurance proceeds in respect of any damage or destruction or any award for payment applicable to a taking by eminent domain is applied against the first mortgage note, such amount so applied shall likewise be applied in reduction of the balance due on this wraparound mortgage.

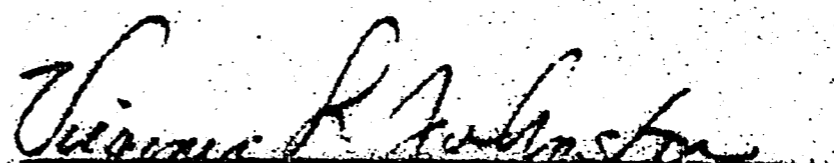
11. So long as any of the indebtedness hereby secured shall remain outstanding and unpaid, Mortgagor agrees to pay all taxes and assessments and other charges that may be levied or assessed upon or against the mortgaged premises as they become due and payable; and to pay for casualty insurance for the premises in amounts satisfactory to wraparound mortgagee.

12. Should Mortgagor fail to insure said property or to deliver insurance policies to Mortgagee or to pay taxes or assessments which may be assessed against the property, Mortgagee is authorized at its option to insure the same and also to pay taxes and assessments against the property, and mortgagor hereby agrees to refund upon demand any such sums so paid with interest thereon at the rate of fourteen percent (14%) per annum, and this mortgage shall stand as security therefor and any such sums so paid shall become a part of the indebtedness hereby secured.

13. Mortgagor shall have the right and privilege of prepaying at any time and without penalty any one or more of the payments provided in said note; provided, however, that all prepayments of principal shall be applied pro tanto on the last maturing installments of said note.

14. Mortgagor may not transfer her interest in the real estate nor may this mortgage be assumed by a grantee of the real estate, without the prior written consent of the Wraparound Mortgagee.

DATED this 23rd day of January, 1981.


VIRGINIA L. JOHNSTON

615771

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public in and for said County and State, this 23rd day of January, 1981, personally appeared Virginia L. Johnston, and acknowledged the execution of the foregoing mortgage. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:
11-2-82
Resident of Lake County

Amy L. Buche
Notary Public
AMY L. BUCHE

