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HAMACHER AND HAMACHER  
ATTORNEYS AT LAW  
CROWN POINT, INDIANA 46307

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REAL ESTATE MORTGAGE

THIS INDENTURE WITNESSETH: That DONALD J. JACOBS and CINDY LEE JACOBS, husband and wife, of 231 West 75th Place, Merrillville, Indiana 46410, hereinafter referred to as "Mortgagors", MORTGAGE AND WARRANT TO: FRANCIS E. CAIN presently residing at 217 Grace Court, Crown Point, Indiana 46307, hereinafter referred to as "Mortgagee", the following described real estate in Lake County, Indiana, to-wit:

Lot 7, Frames Orchard, an Addition to the City of Crown Point as per plat thereof as shown in Blat Book 48, page 120 and amended by a certificate of correction dated August 29, 1978 and recorded September 11, 1978 as Document Number 489694 in the Office of the Recorder of Lake County, Indiana, (Key No. 9-418-7);

hereinafter referred to as the "Premises", together with all rights, privileges, easements, and appurtenances thereto belonging; all buildings and improvements now or hereafter placed or erected thereon; and all rents, leases, profits, revenues, issues and income thereof.

THIS MORTGAGE is given as a Purchase Money Mortgage to secure: The performance of the payment of a certain note, of even date herewith, executed by the Mortgagors and payable to the order of the Mortgagee, at 217 Grace Court, Crown Point, Indiana 46307, or at such other address as Mortgagee may direct, in writing, in the principal sum of Fifty-Six Thousand Five Hundred Dollars (\$56,500), with interest thereon, as provided in said note, which note is payable in regular monthly installments, said payments to be applied first to interest and the balance to principal, until said indebtedness is paid in full, without relief from valuation and appraisal laws, and with attorney's fees, all as provided for in said note, to which said note reference is hereby specifically made, and all extensions and renewals, and for the further purpose of securing the payment of any and all sums, indebtedness and liabilities of any and every kind now or hereafter owing and to become due from the Mortgagors to the Mortgagee during the term of this Mortgage, howsoever created, incurred, evidenced, acquired or arising, whether under the note or this Mortgage or under any other instrument, obligations, contracts or agreements, or dealings of any and every kind now or hereafter existing or entered into between the Mortgagors and the Mortgagee and whether direct, indirect, primary, secondary, fixed or contingent, together with interest and charges as provided in said note and in any other agreements had by and between the parties herin, and any and all renewals or extensions of any of the foregoing (hereinafter collectively called "debt"); any and all advancements made or indebtedness incurred as hereinafter provided for; and the prompt and faithful performance of any and all of the provisions hereof.

Mortgagors, for the purpose of inducing the Mortgagee to make the loan hereby secured and as further consideration for the making of said loan, expressly represent, warrant, covenant and agree as follows:

1. That they are the owners in fee simple of the hereinbefore described real estate, buildings, improvements, rents and profits and that this instrument is a first lien thereon; that they will pay all obligations secured hereby and all sums payable hereunder promptly when due with reasonable attorney's fees and without relief from valuation and appraisal laws; that they will pay promptly when the same become due all prior and subsequent encumbrances and liens upon said real estate, buildings, and improvements; that they will procure at their own expense for Mortgagee all instruments and expend any money which the Mortgagee may, at any time, deem necessary to perfect the Mortgagors' title or to preserve the security intended to be given by this Mortgage; that if the Mortgagee is made a party to any suit, arising out of or in connection with this loan, the Mortgagors agree to pay all reasonable expenses, costs and attorney's fees incurred by the Mortgagee on account of such suit; that they will keep said buildings and improvements insured against loss or damage by fire, lightning, windstorm and such other hazards as the Mortgagee shall, at any time, demand in a company or companies acceptable to Mortgagee for their full insurable value with a proper mortgage clause in favor of Mortgagee and will immediately deliver such policies to Mortgagee to be held by him until this Mortgage is fully discharged; that they will keep all buildings, fences and improvements in good repair and properly painted; that they will pay all taxes, assessments and other governmental impositions levied against the mortgaged property

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when the same become due and payable; that they will deliver herewith to Mortgagee, to be retained by him until this Mortgage is fully released, a guarantee title policy to the mortgaged premises; and that, in the event of any default in Mortgagors' covenants hereunder, they will procure, at their own expense, and deliver to Mortgagee a guarantee title policy to the date of said default. Said continuation of guarantee title policy shall be made by a guarantee title policy company designated by the Mortgagee and shall become the property of the grantee under any sheriff's deed issued in connection with the proceedings to foreclose this Mortgage.

In the event Mortgagee requests, the Mortgagors, in addition to all sums set forth in the note, agree to make monthly deposits with the Mortgagee, in a non-interest bearing account, at the same times as installments of principal and interest are payable, of a sum equal to one-twelfth (1/12) of the estimated yearly taxes and assessments levied or to be levied against the mortgaged premises and insurance premiums, all as estimated by Mortgagee. Such deposits shall be applied by Mortgagee to the payment of such taxes, assessments or insurance premiums when due. Any insufficiency of such account to pay such taxes, assessments and insurance premiums when due shall be payable by Mortgagors on demand. Upon any default under this Mortgage, Mortgagee may apply any funds in said account to any obligations then due under this Mortgage;

2. That, upon default by Mortgagors in the performance of any of their covenants herunder, including, but not limited to, taxes, assessments and hazard insurance premiums, Mortgagee may procure the performance thereof and all money expended or obligations incurred with interest thereon at the rate of twelve percent (12%) per annum shall immediately become due and payable by Mortgagors and shall be a part of the debt secured hereby of equal priority with all other obligations secured hereby;

3. That the Mortgagors will not sell, convey or transfer, either directly or indirectly, the mortgaged premises, or any portion thereof, so long as any part of the indebtedness hereby secured remains unpaid, without first obtaining the written consent of the Mortgagee, and that upon a violation of this covenant, or the default by the Mortgagors in the performance of any other of their covenants contained herein, the maturity of all obligations and indebtedness secured hereby and all sums payable hereunder shall, at the option of the Mortgagee, be accelerated and shall become immediately due and payable, and the Mortgagee may foreclose this Mortgage or may pursue any or all other legal or equitable remedies afforded by this instrument and any and all other instruments and provisions of law, and any such remedy or remedies so pursued by the Mortgagee shall not be exclusive, but shall be cumulative, and the exercise of any remedy or right by the Mortgagee shall not operate to bar or abridge the Mortgagee's right to pursue any other remedy or remedies. Any delay or failure at any time by the Mortgagee to enforce or require performance by the Mortgagors of any of the provisions of this Mortgage shall in no way affect the right of the Mortgagee to enforce the same, nor shall such delay or failure be construed as a waiver by the Mortgagee of the right to enforce any of the provisions hereof without notice at any subsequent time; nor shall the waiver by the Mortgagee of any breach of any provision hereof be taken to be a waiver of any succeeding breach of any of the provisions hereof nor as a waiver of the provision itself;

4. That, upon default by Mortgagors in their covenants hereunder, this Mortgage shall be construed to embrace an assignment to Mortgagee of all rents, profits and issues arising from the mortgaged premises and Mortgagee shall be entitled to collect the same and to deduct his reasonable charges for his services in so doing, and to apply the balance thereof upon the obligations secured thereby. Upon the commencement of any action by Mortgagee to enforce or protect any of his rights hereunder, Mortgagee shall be entitled to the appointment of a Receiver to take possession of and protect the mortgaged premises, to collect the rents, earnings, income, issues and profits thereof or therefrom and make proper application of the same, to operate any business run by Mortgagors on the mortgaged premises, and the right to such appointment shall in no manner be dependent upon the solvency or insolvency of any Mortgagors liable herein or upon the then value of the mortgaged premises. The Mortgagors hereby irrevocably consent to such appointment and waive notice of any application therefor. Mortgagee shall have the further right to inspect the books and records of the Mortgagors at any reasonable time or times, while the Mortgagors is in default of any of the terms, restrictions, conditions or covenants hereof;

5. That all parties now or hereafter liable hereon, or upon any obligations secured hereby, consent to extensions of time of payment without notice or consent on their part,

