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MORTGAGE

William E. Reno  
and Lauraine R. Reno, husband and wife

*Christopher Potts*  
611-617 9. m. S. Bldg.  
South Bend 46601

THIS INDENTURE WITNESSETH that the undersigned, \_\_\_\_\_  
(hereinafter jointly and severally referred to as "Mortgagor") of \_\_\_\_\_  
County, State of \_\_\_\_\_, hereby MORTGAGE(S) AND WARRANT(S) to FIRST UNION  
MORTGAGE CORPORATION (hereinafter referred to as "Mortgagee"), a North Carolina corporation with offices at  
202 S. Michigan St. St. Joseph Bank Bldg. Suite 629 South Bend, IN. 46601, the following  
described real property located \_\_\_\_\_ County, Indiana, to-wit:

Part of the West half of the Southwest quarter of Section 14,  
Township 34 North, Range 9 West of the 2nd Principal Meridian,  
said part herein conveyed being more particularly described as  
follows: Commencing at a point 624.1 feet North of the Southwest  
corner of said West half of the Southwest quarter, and running  
thence East 1320 feet, more or less, to a point on the East line  
of said West half of the Southwest quarter which point is \_\_\_\_\_  
feet North of the Southeast corner of said West half of the  
Southwest quarter; thence North 133.27 feet; thence West \_\_\_\_\_  
(continued on back page)

together with all improvements thereon or thereto, and all rights, privileges, interests, easements, appurtenances, and all fixtures, and all the rents, issues, income and profits thereof (hereinafter collectively referred to as the "Mortgaged Premises").

This Mortgage is given to secure the performance by Mortgagor of the covenants, agreements, and conditions contained herein, and the payment of a certain obligation evidenced by a Mortgage Note of even date herewith in the original principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), executed by \_\_\_\_\_ and payable to the order of Mortgagee on or before \_\_\_\_\_

(hereinafter referred to as the "Note"), the terms of which Note are hereby incorporated herein. Mortgagee reserves the right to attach a copy of said Note to this Mortgage and to cause the same to be recorded in the Office of the Recorder of \_\_\_\_\_ County, Indiana, together with and as an Exhibit to this Mortgage. This Mortgage shall also secure the payment of all obligations to be set forth in any and all renewals, extensions, modifications and/or substitutions of said Note, including the amount of any future advances made by Mortgagee to Mortgagor, if any.

The Mortgagor covenants and agrees with Mortgagee as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Mortgagor shall pay the principal amount of the Note and interest thereon as the same shall become due in accordance with its terms and all indebtedness secured hereby, without relief from valuation and appraisal laws, and Mortgagor shall keep, observe and perform all of the terms, provisions, covenants and agreements of this Mortgage and the Note.

2. PAYMENT OF TAXES. Mortgagor shall pay all taxes, assessments and charges that are levied against the Mortgaged Premises as the same become due.

3. MAINTENANCE OF INSURANCE. Mortgagor shall keep the Mortgaged Premises insured against loss and damage by fire, windstorms and other hazards with such insurers and in such amounts as shall be approved by the Mortgagee. All such insurance policies shall contain clauses making all proceeds of such policies payable to the Mortgagee and the Mortgagor as their respective interests may appear. All such policies of insurance (and, if required by the Mortgagee, the abstract of title) shall be delivered to, and be held by, the Mortgagee without liability for loss thereof, and, in the event of foreclosure of this Mortgage, shall become the absolute property of the Mortgagee.

4. CARE OF PREMISES. Mortgagor shall keep and maintain the Mortgaged Premises in good repair and shall not commit or suffer waste thereof.

5. OTHER CHARGES AND LIENS. Mortgagor shall not permit the lien of any mechanic or materialman, or any other lien, claim or encumbrance to be levied on, or assessed against, the Mortgaged Premises. In the event any such lien, claim or encumbrance shall be levied against the Mortgaged Premises, the Mortgagor shall immediately cause the discharge thereof or the release of the Mortgaged Premises from such lien. In the event that such release or discharge is not accomplished within thirty (30) days after written notice from the Mortgagee to do so, the Mortgagee may accomplish such release or discharge, and any sum or sums so expended by the Mortgagee, including attorney's fees, shall become a part of the indebtedness secured hereby, shall be immediately due and payable by Mortgagor and shall bear interest at the same rate as the unpaid principal balance of the Note.

6. ESCROW DEPOSITS. At Mortgagee's option, following written notice Mortgagor shall deposit with the Mortgagee each month a sum equal to one-twelfth of the annual premiums on policies of hazard insurance covering the Mortgaged premises, plus one-twelfth of the annual taxes and assessments levied against the Mortgaged premises; plus one-twelfth of the annual premium on a policy of mortgage guaranty insurance, if such insurance has been required by the Mortgagee, all as estimated by the Mortgagee. Such deposits shall be held without interest by the Mortgagee, and the taxes, assessments and insurance premiums shall be paid therefrom as they become due and payable, to the extent that the deposits are sufficient therefor. The Mortgagee assumes no responsibility for the payment of any such taxes, assessments, or insurance premiums, or for the correctness and validity of any taxes, assessments or premiums so paid, nor for keeping insurance in force and effect. If such deposits are less than the amount required for the payment of taxes, assessments, and insurance premiums, the Mortgagor shall immediately pay such deficiency to the Mortgagee, and such deficiencies, shall bear interest at the same rate as the unpaid principal balance of the Note until paid by Mortgagor. In the event Mortgagee elects to not collect such escrow deposits, whether because another Mortgagee is collecting said deposits or not, Mortgagor shall periodically and/or on request by Mortgagee prove to Mortgagee that all real property taxes, assessments and insurance premiums have been paid in full. Mortgagee may reverse its election with respect to the collection of such deposits at any time and without cause. In the event of default by Mortgagor, the balance of said deposits remaining in the hands of the Mortgagee may be applied on the indebtedness of the Mortgagor.

7. CONDEMNATION. In the event of any taking of the Mortgaged Premises in whole or in part by virtue of an exercise of the right of eminent domain by any entity, the net proceeds from any judgment, award or settlement resulting therefrom are hereby assigned to the Mortgagee who may, at its option, apply the same to the unpaid balance of the indebtedness secured hereby.

STATE OF INDIANA  
SOUTH BEND COUNTY  
RECORDED  
MAY 15 1993

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8. **ADVANCES TO PROTECT SECURITY.** In the event the Mortgagor fails to make any payments provided for in this Mortgage, or fails to perform any of the covenants and conditions herein contained, the Mortgagee may, at its option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Mortgage, and perform any covenant which the Mortgagor fails to perform. All sums so advanced and paid by the Mortgagee shall be immediately due and payable by the Mortgagor to Mortgagee, shall be secured by this Mortgage, and shall bear interest from the date or dates of the payments shall bear interest at the same rate as the unpaid principal balance of the Note. Such sums shall include costs, expenses and attorney's fees incurred by the Mortgagee in respect of any and all legal or equitable proceedings which relate to this Mortgage or the Mortgaged Premises and which may arise by reason of the execution of this Mortgage or which the Mortgagee may deem necessary to preserve and protect the security of this Mortgage.

9. **EVENTS OF DEFAULT.** Any of the following shall be deemed to be an event of default:

- a. Failure of the Mortgagor to make any payment provided for herein or in the Note.
- b. Failure of the Mortgagor to perform or comply with any covenant, agreement or condition contained herein or in the Note.
- c. ~~The sale, transfer or further encumbrance of all or any part of the Mortgaged Premises without the prior written consent of the Mortgagee; in violation of paragraph 13 hereof.~~
- d. Acceleration of the indebtedness secured by the Mortgage for any reason.
- e. Abandonment of the Mortgaged Premises by the Mortgagor.
- f. If the Mortgagor be adjudged bankrupt or a trustee or receiver is appointed for the Mortgagor or for any part of the Mortgaged Premises, or if the Mortgagor makes any assignment for the benefit of creditors.
- g. The sale or attempted sale of the Mortgaged Premises by or at the request of any mechanic, materialman, judgment creditor, or other person claiming a lien on the Mortgaged Premises, or the commencement of any proceedings for the foreclosure of any such lien, regardless of whether the Mortgagee is made a party to such sale or proceedings.

10. **ACCELERATION AND REMEDIES.** Should the Mortgagor fail to perform any one of the covenants herein contained, or should any payment or installment be unpaid when due, or should Mortgagor otherwise be in default under the terms of the Note, in addition to all other rights granted to Mortgagee by this Mortgage, the Mortgagee may enter on the Mortgaged Premises, collect the rents, issues and profits therefrom and, after paying all expenses of such collection, apply same to the satisfaction of the balance owed on this Mortgage and, at its option, the Mortgagee shall have the right to and may, without notice, declare the entire debt secured hereby at once due and payable and to foreclose this Mortgage. In any such action Mortgagee shall be entitled to payment of the balance of the aforementioned indebtedness plus reasonable attorneys' fees, costs and expenses to the maximum extent permitted by law, all without relief from valuation or appraisal laws. Upon such foreclosure, Mortgagee may obtain a foreclosure memorandum or new title commitment from a title insurance company or may continue the Abstract of Title with respect to the Mortgaged Premises and may add the costs thereof to the indebtedness secured hereby.

11. **APPOINTMENT OF RECEIVER.** It is expressly agreed that if default occurs the Mortgagee shall thereupon have the right to have a receiver appointed without notice to take possession of the Mortgaged Premises and collect the rents, issues and profits arising therefrom for the benefit of the Mortgagee. If, in the opinion of the Mortgagee, it is necessary to protect the Mortgagee, upon default by Mortgagor, Mortgagee shall have the additional right to take possession of the Mortgaged Premises without notice, collect the rents, issues and profits arising therefrom, and take whatever action is necessary in the opinion of the Mortgagee to protect the security given hereunder, and all costs incurred thereby shall become a part of the indebtedness secured by this Mortgage, shall be immediately due and payable, and shall bear interest from the date or dates of the payment at the same rate as the unpaid principal balance of the Note.

12. **FORBEARANCE NOT A WAIVER.** No delay by the Mortgagee in the exercise of any rights hereunder shall preclude the exercise thereof so long as the Mortgagor is in default hereunder and no failure of the Mortgagee to exercise any of its rights hereunder shall preclude the exercise of such rights in the event of subsequent default by the Mortgagor. The Mortgagee may enforce any one or more of its rights or remedies hereunder successively or concurrently. The Mortgagor shall remain liable for full payment of the principal and interest on the Note (or any advancement or obligation) secured hereby, notwithstanding any of the following: (a) the sale of all or any part of the Mortgaged Premises, (b) the assumption by another party of the Mortgagor's obligations hereunder, (c) the forbearance or extension of time for payment or performance of any obligation hereunder, whether granted to Mortgagor or a subsequent owner of the Mortgaged Premises, (d) the reduction of payments on the indebtedness, (e) the acceptance of a renewal note or notes therefor without consent of any junior lienholder or the Mortgagor or any successor to or assignee of Mortgagor if the same has then parted with the title to the Mortgaged Premises, and (f) the release of any party who assumes payment of the same. None of the foregoing shall in any way affect the full force and effect of the lien of this Mortgage or impair Mortgagee's right to a deficiency judgment (in the event of foreclosure) against Mortgagor and/or each person assuming the obligations hereunder or purchasing the Mortgaged Premises subject to the lien of this Mortgage, each of whom by acceptance of a deed to the Mortgaged Premises agrees to become personally liable for repayment of all obligations secured by this Mortgage.

13. **TRANSFER OR OTHER ENCUMBRANCE OF THE MORTGAGED PREMISES; ASSUMPTION.** If all or any part of the Mortgaged Premises or any interest therein is sold, transferred or encumbered by Mortgagor, whether by Deed, Conditional Sales Contract, Mortgage, Security Agreement, or otherwise, without Mortgagee's prior written consent, excluding (a) the creation of a purchase money security interest for household appliances, (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant or tenant in common, or (c) the grant of any leasehold interest of three years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. The consent of the Mortgagee may be upon such terms and conditions as are satisfactory to the Mortgagee. Mortgagee shall have waived its option to accelerate if, prior to the sale, transfer or other encumbrance, Mortgagee and the person to whom the Mortgaged Premises is to be sold, transferred or mortgaged reach agreement in writing that (in the event of sale or transfer) the credit of such person is satisfactory to Mortgagee and that (in any event) the interest payable on the sums secured by this Mortgage shall be at such rate as Mortgagee shall request. Mortgagee retains the right to charge such processing and assumption fees to Mortgagor and Mortgagor's transferee as Mortgagee shall deem appropriate.

If Mortgagee exercises such option to accelerate, Mortgagee shall mail Mortgagor notice of acceleration. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Mortgagor may pay the sums declared due. If Mortgagor fails to pay such sums prior to the expiration of such period, Mortgagee may, without further notice or demand on Mortgagor, invoke any and all remedies permitted by this Mortgage and the Note.

14. SUCCESSORS AND ASSIGNS BOUND. As used herein the terms "Mortgagor" and "Mortgagee" and other terms shall refer to the singular, plural, neuter, masculine and feminine as the context may require and shall include, be binding upon and inure to the benefit of their respective heirs, successors, legal representatives and assigns. The term Mortgagor shall include the original Mortgagor(s) who executed this instrument and their successors and grantees in interest so long as this Mortgage remains unreleased of record. All rights and obligations hereunder shall extend to and be binding upon the heirs, representatives, successors and assigns of the parties to the Mortgage.

15. NOTICES: All notices to the Mortgagee shall be given in writing and shall be deemed delivered when actually received at the place designated for payments under the Note or such other place as Mortgagee shall designate in writing to Mortgagor.

IN WITNESS WHEREOF, the undersigned have (has) executed this Mortgage this 4th day of December, 1986

William E. Reno  
William E. Reno  
Printed

Lauraine R. Reno  
Lauraine R. Reno  
Printed

STATE OF INDIANA }  
COUNTY OF St. Joseph } SS:

William E. Reno and

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Lauraine R. Reno, the above-named Mortgagor, and acknowledged the execution of the foregoing Mortgage.

Witness my hand and Notarial Seal this 4th day of December, 1986

Signature: Christopher Potts  
Printed: Christopher Potts

My Commission Expires: CHRISTOPHER POTTS  
NOTARY PUBLIC STATE OF INDIANA  
ST. JOSEPH CO.  
MY COMMISSION EXPIRES JUNE 28, 1990

My County of Residence Is \_\_\_\_\_

Exhibits: Mortgage Note  
Legal Description

This Instrument Prepared by:  
Christopher C. Potts  
Attorney at Law  
611 JMS Building  
South Bend, IN 46601

Recorder: Return to:  
Christopher C. Potts  
as above

FUMC 304

(legal description continued)

feet, more or less, to the West line of said West half of the Southwest quarter, thence South 132.1 feet to the place of beginning, in Lake County, Indiana.