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MORTGAGE

*Berit Properties
% Jan Gallepser
90 Box 9552
Fargo N.D 58109*

THIS MORTGAGE, Made this 4th day of April 1988 between Richard & Mary Starko SR., whose address is 5475 Adams; Merrillville Indiana 46410; herein called the "Mortgagor," and Berit Properties Inc. a North Dakota Corporation whose post office address is Box 9552, Fargo, North Dakota 58109-9552, herein called the "Mortgagee."

WITNESSETH, that the Mortgagor, for and in consideration of these presents, does hereby GRANT the Mortgagee, all of the following real property lying and being in the County of Lake, State of Indiana, and described as follows, to wit:

Lot 8 and 20 feet by parallel lines off the entire South side of Lot 7 in Block "J" in Meadowland Estates Unit #2, as per plat thereof, recorded in Plat Book 30, page 95 in the Office of the Recorder of Lake County, Indiana.

Provided that if the Mortgagor shall pay or cause to be paid to the Mortgagee, at Box 9552; Fargo, North Dakota, the sum of \$8,000.00 (Eight thousand dollars) and interest, according to the conditions of the Mortgage Note of even date herewith, payable as follows:

In consecutive monthly installments of \$178.00 (One hundred Seventy Eight & 00/100 dollars) commencing on the 15th day of May 1988, and a like sum on the 15th day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on 05/15/90 (May 15, 1990) (a balloon payment). The unpaid balance shall bear interest at the initial rate of 12% (Twelve percent) per annum,

and shall repay any future advances or loans, as authorized herein, and shall keep and perform all and singular, the covenants and agreements herein contained, then this Deed shall be null and void, and the premises hereby conveyed shall be released by the Mortgagee, at the cost of the Mortgagor: otherwise to remain in full force and effect.

Mortgagor covenants and agrees with Mortgagee, its successors and assigns as follows:

1. That the Mortgagor has good right to convey said property, and that it is free from all encumbrances.
2. That the Mortgagee shall quietly enjoy and possess the same, and that the Mortgagor will warrant and defend the title to the same against all lawful claims, hereby relinquishing and conveying all right of homestead, and all contingent claims and rights whatsoever in and to the premises.
3. To pay said sum of money, and interest thereon, as above specified, and to pay as a part of the debt hereby secured, in case of each or any foreclosure, or commencement of foreclosure

LILLIAN A. BLASTICK
RECORDER, LAKE COUNTY
CROWN POINT, INDIANA 46307
STATE OF INDIANA, S.S. No. 46307
APR 19 1988
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OFFICE OF RECORDER

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(MORTGAGE CONTINUED)

of this Mortgage, all costs and expenses and statutory attorneys' fees, in addition to all sums and costs allowed by law.

4. To keep the property in good repair and not permit to commit waste, impairment or deterioration of the property, or permit to be done anything that may in any manner impair or weaken the security under this mortgage.

5. To pay all charges, assessments and other charges, fines and impositions attributable to the property which may attain a priority over this Mortgage; to pay all taxes or assessments upon this Mortgage or Note.

6. The Mortgagee acknowledges and approves of the two previous existing mortgages but Mortgagor must promptly discharge any other lien, which has priority over this Mortgage, provided that Mortgagor shall not be required to discharge any such lien so long as Mortgagor shall agree, in writing, to the payment of the obligation secured by such lien, in a manner acceptable to Mortgagee, or shall in good faith contest such lien by or defend enforcement of such lien in legal proceedings which operate to prevent the enforcement of such lien in legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the property or any part thereof. In the event the undersigned shall convey or otherwise transfer, all or any part of the premises described in the Mortgage securing this Note whereby the legal or equitable title becomes vested in any other person, or permit any lien or other encumbrance subordinate to the lien of this Mortgage without obtaining the prior written approval of the holder hereof, or in the event of any default in the payment of any installment or any part thereof when due hereunder, or in the performance of or compliance with any of the covenants or conditions of any Mortgage securing this Note, then in any such case the entire unpaid principal of this Note with all accrued interest thereon shall, at the option of the holder hereof, become immediately due and payable without notice. Failure to exercise this option, however often, shall not constitute a waiver of the right to exercise it thereafter.

7. To keep the building on said premises insured against loss by fire, windstorm, and all hazards included within the term "extended coverage," and such other hazards as Mortgagee may require for such amounts and in companies acceptable to and with loss payable to the Mortgagee.

8. At the request of the Mortgagee, to make deposits with Mortgagee on dates provided for payment of principal and interest, such amount to secure the payment of the annual taxes and special assessments and assessments for special improvements and the estimated annual premium or premiums for such insurance as is required herein. Mortgagee shall hold such monthly payments to pay such taxes, special assessments and assessments for special improvements and insurance premiums before the same become delinquent and shall make no charge for so holding and applying the funds or verifying and compiling said assessments and bills. Mortgagor and Mortgagee may agree, in writing, at the time of execution of this Mortgage, that interest on the funds shall be paid to Mortgagor, and unless such agreement is made,

(MORTGAGE CONTINUED)

Mortgagee shall not be required to pay the Mortgagor any interest on the funds. The monthly payments are pledged to Mortgagee, as additional security, for the sums secured by this Mortgage. Any deficiency in the amount of any such items of payment shall, unless made good by the Mortgagor, prior to the due date of the next such payment, constitute an event of default under this Mortgage. If the total of the payments made by the Mortgagor shall exceed the amount of payments actually made by the Mortgagee for such taxes, special assessments, assessments for special improvements, and premiums for insurance, such exceed shall be credited by the Mortgagee on subsequent payments to be made by the Mortgagor. If the payments made by the Mortgagor shall not be sufficient, then the Mortgagor shall pay to the Mortgagee, an amount necessary to make up the deficiency, on or before the date when payment of such taxes, special assessments, assessments for special improvements, and insurance premiums shall be due.

9. In the event the Mortgagor fails to perform any of the covenants hereunder, the Mortgagee may pay any moneys owing for taxes, or any assessments, insurance premiums, or in case there exists any claim, lien, mortgage or encumbrance upon such premises, which is prior to this Mortgage, the Mortgagee may, at its option, pay and discharge such obligations and the sum or sums of money which may be so paid with interest from time of payment at the same rate as said principal sum, shall be deemed and are hereby declared to be a part of the debt secured by this Mortgage, and shall be immediately due and payable, all as more fully set forth in the Note secured hereby.

10. This Mortgage shall also secure the payment of any renewal Note for the above described indebtedness of any portion thereof.

11. For and during the term of this Mortgage does hereby assign, set over and deliver to the Mortgagee all of Mortgagor's right, title, interest and demand in and to the rents, issues and profits of the property described herein, does hereby assign and set over to the Mortgagee all leases of said premises now made, executed or delivered, whether written or oral, or to be hereafter made, executed and delivered, be the same written or oral, of the aforesaid premises, and does hereby empower the Mortgagee to collect said rents as they shall become due and to receipt for the same. Mortgagor does hereby direct each and all the tenants of the aforesaid premises to pay such rents as may now be due, or shall hereafter become due, to the Mortgagee. The term of this assignment shall be until the indebtedness for which the Mortgage is given shall have been fully paid and satisfied. This assignment shall not become operative and effective unless default shall be made in the covenants, terms and conditions for which this Mortgage is given, and the covenants, terms and conditions of this Mortgage.

12. Any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise to any right or remedy thereafter. The procurement of insurance, or the payment

(MORTGAGE CONTINUED)

of taxes or other liens or charges by Mortgagee, shall not be a waiver of Mortgagee's rights to accelerate the maturity off the indebtedness secured this Mortgage.

13. Mortgagee may make, or cause to be made, reasonable entries upon and inspections of the property; provided that Mortgagee shall give Mortgagor notice of such inspection, specifying reasonable cause therefore, related to Mortgagee's interest in the property.

14. Upon request of the Mortgagor, Mortgagee, at Mortgagee's option, shall have the right and does hereby reserve the right to advance funds or make additional loans to the Mortgagor as provided by Section 6-03-05.1 of the North Dakota Century Code as it now exists or as it may hereafter be amended including any similar right which may be created in replacement thereof.

15. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedies under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

16. Upon Mortgagor's breach of any covenants or agreements to be kept by the Mortgagor, including the covenants to pay when due any sum secured by this Mortgage, Mortgagee, at its option, may declare all of the sums secured by this Mortgage to be immediately due and payable. In the event of any such default, Mortgagor does hereby authorize and fully empower Mortgagee, its agents, successors and assigns, to foreclose this Mortgage by judicial proceedings and to sell said premises at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the moneys arising from such sale, to retain all sums secured hereby with interest and all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law, which costs, charges and fees the Mortgagor herein agrees to pay.

17. This Mortgage, and the terms and conditions thereof, shall bind the Mortgagor, its heirs, Personal Representatives, successors and assigns, and shall inure to the benefit of the Mortgagee, its successors and assigns.

INTENTIONALLY BLANK

