

990766

MORTGAGE

This Instrument was prepared by:
Name: Caroll E. Cordeau

Address: 310 E Joliet St., Crown Point Ind. 46307

THIS INDENTURE WITNESSETH that John R. and Susan E. Kinkade husband and wife hereinafter referred to as the "MORTGAGOR", mortgages and warrants to INDIANA FEDERAL SAVINGS AND LOAN ASSOCIATION of Valparaiso, Indiana, hereinafter referred to as "MORTGAGEE", the following real estate in Lake County, State of Indiana, to wit:

Lot 36; Final Plat Westwood Estates, Unit Three, and addition to Lake County, Indiana, as shown in Plat Book 48, Page 14, in the Recorder's Office of Lake County, Indiana.

LILLIAN A. BLASTICK
RECORDER, LAKE COUNTY
CROWN POINT, INDIANA 46307
AUG 4 1 49 PM '88

together with all the improvements now or hereafter erected on said real estate, and all easements, rights, tenements, royalties, minerals and gas rights, water rights, all fixtures, now or hereafter attached to the property including replacements, additions thereto, and any proceeds therefrom 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, the sum of \$ 40,000.00 according to the terms and conditions of Promissory Note (the "Note"), concurrently executed by the Mortgagors and delivered to the Mortgagee in accordance with the terms provided in said Note, all without relief from valuation and appraisal laws and with attorneys fees; principal and interest payments being payable in the manner provided in said Note, the terms and conditions of said Note are incorporated herein by reference and made a part hereof. It is further covenanted and agreed that this Mortgage is also made to secure the performance of all covenants and agreements herein contained, including the payment of reasonable attorney's fees and legal expenses; and to secure the performance of any other agreement between the Mortgagor and the Mortgagee, including:

- B. Securing any renewal or extension of such indebtedness;
- C. Also securing all further advances to the full amount of this Mortgage;
- D. Also securing all indebtedness or liabilities incurred by the holder hereof for the protection of this security or for the collection of this Mortgage.

This mortgage shall also secure the payment of any other liabilities, joint, several, direct, indirect or otherwise of the Mortgagor to the holder of this Mortgage. All foregoing, together with the real estate, are herein referred to as the "Mortgaged Premises".

Mortgagor covenants that they are lawfully seized of indefeasible estate in fee simple in such Mortgaged Premises and have the right to Mortgage, grant and convey the Mortgaged Premises, that the Mortgaged Premises are not encumbered, except for those encumbrances, liens and easements of record, and that Mortgagor will warrant and defend generally the title to the Mortgaged Premises against all claims and demands whatever.

The Mortgagor and Mortgagee covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST: Mortgagor shall pay unto the Mortgagee promptly and when due, the principal and interest of the indebtedness evidenced by this Note, prepayment and any other charges as provided in the Note without relief from valuation and appraisal laws and with all reasonable attorneys' fees and legal costs provided for therein.

2. CHARGES AND LIENS: Until the indebtedness evidenced by the Note shall have been fully paid, the Mortgagor shall pay, as they become due, all taxes and assessments, general or special, now existing or that may hereafter be levied or assessed upon the Mortgaged Premises or any part thereof, and shall deliver to the Mortgagee, upon the Mortgagee's demand therefore, receipt to the proper officers for the payment of any such taxes and assessments.

3. PRESERVATION AND MAINTENANCE OF PROPERTY: Mortgagor shall maintain all improvements currently on, and in the future to be placed on, the Mortgaged Premises in good repair and condition, normal wear and tear excepted, and shall not commit or suffer the commission of any waste, or significantly alter the design or structural character of any improvement now or hereafter situated on the Mortgaged Premises for any purpose that violates any state or federal law or local ordinance or other governmental regulation.

4. HAZARD INSURANCE: Mortgagor shall keep all improvements now or hereafter situated on the Mortgaged Premises insured against loss or damage by fire and such other hazards or risks as may be specified by the Mortgagee in such amount or amounts as may be required by the Mortgagee with such insurance company or companies as the Mortgagee may approve, and shall deliver to the Mortgagee as additional security for the payment of the indebtedness hereby secured, the policy or policies evidencing such insurance, and the renewals thereof, at least ten (10) days before any such policy shall expire. Mortgagor shall not do or permit anything to be done which will increase the risk of fire or other hazard respecting the Mortgaged Premises. All such policies shall provide that they may not be cancelled without at least ten (10) days prior written notice to the Mortgagee and shall provide that, in the event of loss under such policy, the proceeds will be payable to the Mortgagee as its interest may appear. In the event of loss, the Mortgagor shall give immediate notice of the loss by mail to the Mortgagee, and the Mortgagee may make proof of loss, and each insuring company is hereby authorized and directed to make payment for any such loss directly to the Mortgagee rather than jointly to the Mortgagee and any other party or parties, including the Mortgagor. Any such proceeds payable under any such policy or insurance may be applied by the Mortgagee (in which case no prepayment penalty shall be assessed) or to repair or replace that part of the Mortgaged Premises which was covered by such policy or policies.

5. ADVANCES TO PROTECT MORTGAGED PREMISES: If Mortgagor shall fail to pay punctually when due, and tax or assessment levied or made against the Mortgaged Premises, or to maintain and insure the improvements in the manner above provided, or to discharge any liens or encumbrances asserted against the Mortgaged Premises, or to perfect and protect the title of the Mortgaged Premises and Mortgagee's status, or if Mortgagee shall incur or expend any other sums, including reasonable attorneys' fees, whether or not in connection with any action or proceeding necessary in its judgment to protect or enforce any of its rights under this Mortgage, the Mortgagee may pay any such sums and may perform any such act in such manner as Mortgagee may deem proper. Every such sum so paid by the Mortgagee and the reasonable cost of every such performance (including attorney's fees and court costs) shall be added to the indebtedness secured by this Mortgage and secured by the lien of this Mortgage prior to any right, interest or claim to the Mortgaged Premises attached or occurring subsequent to the lien of this Mortgage. All such sums shall bear interest from the date of such payment and performance by the Mortgagee at the rate set forth in the Real Estate Note, and shall be repaid by the Mortgagor upon demand, with attorneys' fees and without relief from valuation or appraisal laws. However, nothing herein contained shall be construed as requiring the Mortgagee to pay any such sums or to perform any such acts. If Mortgagee pays any lien or encumbrance, Mortgagee shall be subrogated to the rights of the holder of such lien as fully as if such lien or encumbrance had been assigned to the Mortgagee. Mortgagor will indemnify and save Mortgagee harmless from, and repay on demand, Mortgagee for any liability, loss cost, damage, expense or attorneys fees by reason of any suit or proceeding to such Mortgagee is made a part on account of this Mortgage, and any liability, loss, cost, damage, expense or attorneys' fees so incurred by Mortgagee is made a part of this indebtedness secured by this Mortgage.

6. EMINENT DOMAIN: That is the Mortgaged Premises, or any part thereof, is taken pursuant to an exercise, or threat of exercise, of the power of eminent domain, the entire proceeds of the award of settlement in respect of the part so taken shall be paid directly to the Mortgagee (and Mortgagor hereby assigns all of such proceeds to Mortgagee) and shall be applied at Mortgagee's option, after deduction of all expense, including attorneys' fees incurred by Mortgagee in connection with the taking, to: (a) in part or entirely against the then balance of the indebtedness secured by this Mortgage (without liability for any prepayment penalty), or, (b) in part or entirely to the restoration of so much of the Mortgaged Premises as remains after the retaking; provided, however, that if, by electing to apply part of any such award against the then balance of the indebtedness, Mortgagee causes the indebtedness to be paid in full, then the Mortgagee shall pay the balance, if any, then remaining over to the person or persons entitled thereto. Mortgagee is hereby authorized, at its option, to commence, appear in, prosecute in its own name, and to make any compromise or settlement of, any action or proceeding in connection with such taking.

7. EVENTS OF DEFAULT AND ACCELERATION: Time is of the essence of this Mortgage. Upon default by Mortgagor in the making of any of the payments provided for in this Mortgage or in the observance or performance of any of the terms, provisions or conditions of this Mortgage or of the Note, or upon breach of any of the terms or conditions of the Equity Line Agreement, or upon the institution of any legal or equitable proceeding to enforce any mortgage or other lien upon any part of the Mortgaged Premises, or if a petition in bankruptcy shall be filed by or against Mortgagor, or if Mortgagor shall file a petition or answer seeking reorganization or an arrangement with creditors, or if Mortgagor shall be adjudged insolvent or shall make an assignment for the benefit of creditors, or if any change occurs in the laws now in force respecting the taxation of the mortgages or debts

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secured by the Mortgagees for federal, state or local purposes, or respecting the manner of the collection of such taxes, the effect of which change is substantially to impair the security afforded by this Mortgage, or if received for all or any part of the property of Mortgagor shall be appointed, and such appointment shall not be set aside within thirty (30) days, or if the Mortgaged Premises shall be levied upon by virtue of any execution, attachment, or other writ or shall come into the possession of or be ordered sold by any official or any court, then, and in any such event, the entire indebtedness or the amount then outstanding secured by this Mortgage shall, at the option of the Mortgagee, become immediately due and payable without notice to Mortgagor, and Mortgagee shall have the right immediately to foreclose the mortgage lien hereby created, sell and convey the premises and execute and deliver a deed to the purchaser, and shall be absolved from the obligation of making any further advancements that may be due Mortgagor on account of this Mortgage and the Note secured by it. In the event proceedings to foreclose such lien shall be instituted, all sums expended for information and insurance respecting the title to the Mortgaged Premises, together with interest thereon, at the rate set forth in the Real Estate Note which shall become a part of the indebtedness secured by this Mortgage, together with all costs and attorneys fee incurred by the Mortgagee.

Mortgagor will not cancel any leases now or hereafter assigned to Mortgagee, nor terminate or accept a surrender thereof or reduce the payment of the rent thereunder or modify any of said leases or accept any prepayment of rent without first obtaining, on each occasion, the prior written consent of Mortgagee. Mortgagor further agrees that it will perform all its obligations as lessor under all of the leases now or hereafter assigned to Mortgagee.

6. RECEIVER OF RENTS: The Mortgagee shall have the right in case of failure of the Mortgagor to perform any of the acts, covenants, and conditions in the Mortgage or by the Note secured hereby, upon a complaint filed or any proper action being commenced for the foreclosure of this Mortgage, to apply for, and the Mortgagee shall be entitled as a matter of right without consideration of the value of the Mortgaged Premises as security for the amounts due the Mortgagee, or of the solvency of any person or persons obligated for the payment of such amount, to the appointment by any competent court or tribunal, without notice to any party, or a receiver of the rents, issues, and profits of the premises, with power to lease the premises, or such part thereof as may not then be under lease, and with such other powers as may be deemed necessary, who, after deducting all proper charges and expenses attending the execution of the trust as received, shall apply the residue of the rents and profits to the payment and satisfaction of the amount remaining secured hereby, or to any deficiency which may exist after applying the proceeds of any judicially decreed sale of the premises to the payment of the amount due, including interest and costs of the foreclosure and sale; and such rents and profits are hereby, in the event of any default or defaults in the payment of principal or of any instalment thereof or interest, or any tax, assessments, water rate, or insurance, pledged and assigned to the Mortgagee, with full power and authority to the Mortgagee to enter upon and to take possession of the Mortgaged Premises and to institute and prosecute all suits for the collection of rents now due and unpaid, and hereafter to become due, and to institute and prosecute summary proceedings for the removal of any and all tenant or tenants or other persons from the property, and to pay the costs and expenses of all suits, actions, and proceedings out of the rent received, and to maintain the property and to keep the same in repair, and to pay the cost thereof and of the services of all employees, including their equipment, and all gas, oil, electricity, power, and generally all of the running expenses of maintaining and keeping of the property in repair and first class condition, and in such condition as to property of the style and kind of the real property herein described as customarily kept, and also all interest on this Mortgage, and the Note to secure which this Mortgage is given, and all taxes, assessments, and water rates, which may hereafter become liens on the real property, and all premiums of insurance on policies of insurance effected by the Mortgagee as security for the amount hereby secured, and also the principal sum of this Mortgage and of the Note to secure which the same is given out of the rent received and with power and authority to rent or lease the whole or any part of the property for such term or terms and on such conditions as to the Mortgagee may seem proper and to employ an agent to rent and manage the property and to collect the rents and profits thereof, and to pay the reasonable value of his services out of the rent received.

9. MODIFICATION OF THE NOTE: Mortgagee, at its option, may extend the time of payment of the indebtedness secured by this Mortgage or any part thereof, reduce the payments thereon, or renew such indebtedness, all without the consent of any junior lienholder and without the consent of Mortgagor (if they have ceased to be the owners of the Mortgaged Premises), and may take other or additional security for the payment of such indebtedness or grant any release (with or without consideration) of any security (including, but not limited to, the Mortgaged Premises) held for such payment, and no action, non-action or delay by Mortgagee in the exercise of any of its rights under this Mortgage shall affect the priority of this Mortgage or the interest created hereby in Mortgagee or impair the security hereof or Mortgagor's personal liability. Mortgagee may enforce any one or more of its rights or remedies hereunder successively or concurrently.

10. FORBEARANCE BY MORTGAGEE NOT A WAIVER: 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 of any right or remedy hereunder, the procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the maturity of the indebtedness secured by this Mortgage. It is expressly agreed that should the Mortgagor fail to comply with the terms and provisions herein, then the Mortgagee or its assigns shall have the right to enter into and take possession of the premises.

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

12. WAIVER OF DEMAND, ETC.: The Mortgagor waives demand, presentment for payment, notice of non payment, dishonor and protest and diligence in collection of the indebtedness evidenced by the Promissory Note secured by this Mortgage.

13. TRANSFER OF THE MORTGAGED PREMISES: ASSUMPTION: It shall be an immediate Event of Default and default hereunder if, without the prior written consent of the Mortgagee:

The Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein.

Mortgagee may waive such option to accelerate if, prior to the encumbrance, sale, transfer or alienation, Mortgagee and the party to whom the Mortgaged Premises is to be encumbered, sold, transferred or alienated reach agreement in writing that such transaction is satisfactory to Mortgagee insofar as the credit and financial data of the party to whom the transfer is being requested and with respect to documentations as may be required, and that the interest payable on the sums secured by this Mortgage shall be at such interest rate and other terms as Mortgagee shall deem necessary.

14. MISCELLANEOUS: The rights and duties created by this Mortgage shall inure to the benefit of and bind each of the parties to the Mortgagee, and their successors and assigns. No defense, offset or counterclaim under any financing agreement concerning the Mortgaged Premises, shall be valid or effective as against the Mortgagee, each of such defenses, offsets and counterclaims being waived by Mortgagor insofar as the indebtedness and this Mortgage are concerned. This Mortgage shall be construed in accordance with the laws of the State of Indiana. Whenever possible every provision shall be interpreted so as to be effective and valid under applicable law, but if any provision shall be declared invalid under such law, such provision shall be invalid or ineffective only to that extent, and the remaining parts of this Mortgage shall be unaffected by such invalidity or prohibition.

15. ASSIGNMENT BY MORTGAGE: The Mortgagee shall have at its option, the right and privilege to transfer, sell or assign this Mortgage and Note(s) without giving any prior notice to or obtaining approval from Mortgagor.

16. RELEASE: Upon payment of all sums secured by this Mortgage, the Mortgagee shall release this Mortgage without charge to Mortgagor, except the Mortgagor shall pay all costs of recordation, if any.

17. WAIVER OF VALUATION AND APPRAISEMENT: Mortgagor hereby waives any and all rights of valuation and appraisement that they may possess by virtue of the laws of the State of Indiana, or any other jurisdiction where laws are held to control and govern the terms and conditions of this agreement.

18. INCORPORATION BY REFERENCE: The terms and conditions of the Equity Line Agreement is incorporated herein by reference, and made a part of this agreement together with the other documents simultaneously executed, and any default in compliance with the terms and conditions thereof, is to be considered as a default under the terms and conditions of this Mortgage and subject to the appropriate relief and remedies granted to the holder hereof.

The covenants herein contained shall bind, and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Mortgagor has signed and sealed this Mortgage this 29th day of July, 1988.

ATTEST: _____
Borrower: John R. Kinkade
John R. Kinkade
Borrower: Susan E. Kinkade
Susan E. Kinkade

State of ~~Illinois~~ Indiana, Lake County ss:

I, Carol E. Cordeau, a Notary Public in and for said county and state, do hereby certify that John R. Kinkade and Susan E. Kinkade husband and wife personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he y signed and delivered the said instrument as a free voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 29th day of July, 1988

My Commission expires: _____
Notary Public Carol E. Cordeau
Carol E. Cordeau H187000
Lake Co. Resident