THIS DOCUMENT PREPARED BY JOHN A. KATALINICH FOR AVCO FINANCIAL SERVICES

# REAL ESTATE MORTGAGE
## 102573
MORTGAGOR(S)

| ACCOUNT NUMBER |
|---|
| 349505700 |

MORTGAGEE:

**AVCO FINANCIAL SERVICES**

**OF INDIANAPOLIS, INC.**
101 N. MAIN ST.
CROWN POINT, 46307, INDIANA

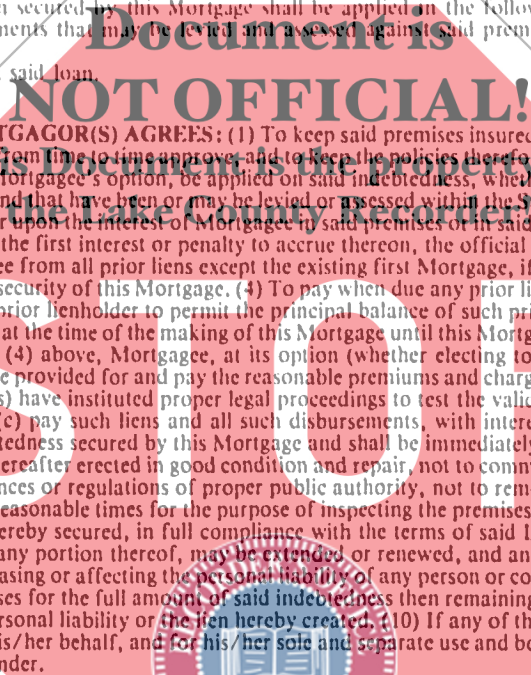| Last Name | First | Initial | Spouse's Name |
|---|---|---|---|
| ESPINOZA | PHILLIP | M. | JANIE LEE ESPINOZA AKA JANIE LEE BUCKLEY |

WITNESSETH, that Mortgagor(s), mortgage and warrant to Mortgagee, the following described Real Estate in the County of ___LAKE___
_____, State of Indiana, to wit:

LOT 25, BLOCK 3, MEADOWDALE SUBDIVISION, AS SHOWN IN PLAT BOOK 31, PAGE 52, LAKE COUNTY, INDIANA.

together with all buildings and improvements now or hereafter erected thereon and all screens, awnings, shades, storm sash and blinds, and heating, lighting, plumbing, gas, electric, ventilating, refrigerating and air-conditioning equipment used in connection therewith, all of which, for the purpose of this mortgage, shall be deemed fixtures and subject to the lien hereof, and the hereditaments and appurtenances pertaining to the property above described, all of which is referred to hereinafter as the "premises"

MORTGAGOR ALSO ASSIGNS TO MORTGAGEE ALL RENTS, issues and profits of said premises, reserving the right to collect and use the same, with or without taking possession of the premises, during continuance of default hereunder, or to apply against any deficiency remaining after foreclosure sale and during continuance of such default authorizing Mortgagee to enter upon said premises and/or to collect and enforce the same without regard to adequacy of any security for the indebtedness hereby secured by any lawful means.

FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Mortgagor contained herein; (2) Payment of the principal sum with interest, as provided in accordance with the terms and provisions of a Loan Agreement/Promissory Note (hereinafter referred to as "Loan Agreement") dated ___5-21-90___, herewith executed by Mortgagor and payable to the order of Mortgagee, in the principal sum of $ __51942.02__, and having the date of its final payment due on __6-1-05__, or as extended, deferred or rescheduled by renewal or refinance; (3) Payment of any additional advances, with interest thereon, as may hereafter be loaned by Mortgagee to Mortgagor in a maximum sum of $__51942.02__; (4) The payment of any money that may be advanced by the Mortgagee to Mortgagor for any reason or to third parties, with interest thereon, where the amounts are advanced to protect the security or in accordance with the covenants of this Mortgage; (5) Any renewal, refinancing or extension of said Loan Agreement, or any other agreement to pay which may be substituted therefor. (6) Any sums expended by mortgagee for attorney's fees and/or foreclosure expenses which are chargeable to the mortgagor under the provisions of this mortgage and/or the Loan Agreement.

All payments made by Mortgagor on the obligation secured by this Mortgage shall be applied in the following order:
FIRST: To the payment of taxes and assessments that may be levied and assessed against said premises, insurance premiums, repairs, and all other charges and expenses agreed to be paid by the Mortgagor.
SECOND: To the payment of interest due on said loan.
THIRD: To the payment of principal.

TO PROTECT THE SECURITY HEREOF, MORTGAGOR(S) AGREES: (1) To keep said premises insured for the protection of Mortgagee in such manner, in such amounts, and in such companies as Mortgagee may from time to time approve, and to keep the policies therefor, properly endorsed, on deposit with Mortgagee; and that loss proceeds (less expenses of collection) shall, at Mortgagee's option, be applied on said indebtedness, whether due or not, or to the restoration of said improvement. (2) To pay all taxes and special assessments of any kind that have been or may be levied or assessed within the State of Indiana upon said premises, or any part thereof, or upon the Loan Agreement or debt secured hereby, before any penalty for nonpayment attaches thereto, and to deliver to Mortgagee ten days before the day fixed by law for the first interest or penalty to accrue thereon, the official receipt of the proper officer showing payment of all such taxes and assessments. (3) To keep said premises free from all prior liens except the existing first Mortgage, if any and upon demand of Mortgagee to pay and procure release of any lien which in any way may impair the security of this Mortgage. (4) To pay when due any prior lien or Mortgage on the premises and, notwithstanding any right or option granted by any prior lien or by any prior lienholder to permit the principal balance of such prior lien to increase, not to permit the principal balance of such prior lien to increase above the balance existing at the time of the making of this Mortgage until this Mortgage shall have been paid in full. (5) In the event of default by Mortgagor(s) under paragraphs (1), (2), (3) or (4) above, Mortgagee, at its option (whether electing to declare the whole indebtedness hereby secured due and collectible or not), may (a) effect the insurance above provided for and pay the reasonable premiums and charges therefor; (b) pay all said taxes and assessments without determining the validity thereof (unless Mortgagor(s) have instituted proper legal proceedings to test the validity of such taxes or assessments and have deposited with Mortgagee security therefor acceptable to it); and (c) pay such liens and all such disbursements, with interest thereon from the time of payment at the highest rate allowed by law, shall be deemed a part of the indebtedness secured by this Mortgage and shall be immediately due and payable by Mortgagor(s) to Mortgagee. (6) To keep the buildings and other improvements now or hereafter erected in good condition and repair, not to commit or suffer any waste or any use of said premises contrary to restrictions of record or contrary to laws, ordinances or regulations of proper public authority, not to remodel the improvements except with the written consent of Mortgagee, and to permit Mortgagee to enter at all reasonable times for the purpose of inspecting the premises. (7) That they will pay, promptly and without relief from valuation or appraisement laws, the indebtedness hereby secured, in full compliance with the terms of said Loan Agreement and this Mortgage. (8) That the time of payment of the indebtedness hereby secured, or of any portion thereof, may be extended or renewed, and any portions of the premises herein described may, without notice, be released from the lien hereof, without releasing or affecting the personal liability of any person or corporation for the payment of said indebtedness or the lien of this instrument upon the remainder of said premises for the full amount of said indebtedness then remaining unpaid. (9) No change in the ownership of said premises shall release, reduce or otherwise affect any such personal liability or the lien hereby created. (10) If any of the undersigned is a married person, he/she represents and warrants that this instrument has been executed in his/her behalf, and for his/her sole and separate use and benefit and that he/she has not executed the same as surety for another, but that he/she is the Borrower hereunder.

IT IS MUTUALLY AGREED THAT: (1) If the Mortgagor shall fial or neglect to pay installments on said Loan Agreement or on any other advance or obligation which may be secured hereby as the same may hereafter become due, upon commencement of any proceeding to enforce or foreclose this Mortgage, or at any time thereafter until expiration of the period of redemption, Mortgagee shall be entitled as a matter of right, without notice to Mortgagor(s) or any person claiming under them, without regard to the solvency or insolvency of persons liable for the payment of the indebtedness hereby secured, without regard to the then value of the premises and the adequacy of the security, and whether or not the same shall then be occupied by the owner of the equity of redemption, to the immediate appointment of a receiver with power to take possession of said premises, to collect all rentals and profits thereof and to hold and apply the receipts as the court may order for the benefit of Mortgagee and the maintenance of the security. (2) As additional security for the repayment of the indebtedness hereby secured, Mortgagor(s) hereby assign to Mortgagee all their right, title and interest in and to any existing leases and all future leases, including any oil, gas or mineral leases covering all or any part of the premises herein described and any extensions or renewals of said leases, and all rents, royalties, issues, income and profits thereof, and Mortgagee is hereby granted the right, in the event of default, to enter and take possession of the Mortgaged premises and to collect such rents, royalties, issues, income and profits. Mortgagor(s) hereby authorize and instruct the lessee under any such lease, or his or its assigns or successors in interest, to pay to Mortgagee all rents, delay rents, royalties or income that may be due or become due under any such lease or by reason of such occupancy. (3) Mortgagee shall be subrogated to the lien of any and all prior encumbrances, liens or charges paid and discharged from the proceeds of the Loan Agreement hereby secured, and even though said prior liens have been released of record, the repayment of said Loan Agreement shall be secured by such liens on the portions of said premises affected thereby to the extent of such payments, respectively. (4) Whenever by the terms of this instrument or of said Loan Agreement Mortgagee is given any option, such option may be exercised when the right accrues, or at any time thereafter. (5) All Mortgagor(s) shall be jointly and severally liable for fulfillment of their covenants and agreements herein contained, and all provisions of this Mortgage shall inure to and be binding upon the heirs, executors, administrators, successors, grantees, lessees and assigns of the parties hereto, respectively. (6) Notwithstanding anything in this Mortgage or the Loan Agreement secured hereby to the contrary, neither this Mortgage nor said Loan Agreement shall be deemed to impose on the Mortgagor(s) any obligation of payment, except to the extent that the same may be legally enforceable; and any provision to the contrary shall be of no force or effect. (7) Any award of damages under condemnation for injury to, or taking of, any part of all of said property is hereby assigned to Mortgagee with authority to apply or release the moneys received, as above provided for insurance loss proceeds. (8) In case default shall be made in the payment of any installment of said Loan Agreement or of interest thereon when due or if there shall be a failure on the part of Mortgagor to comply with any covenant, condition or provision of this Mortgage, including causing or permitting the principal balance of any prior lien to increase above the principal balance of such lien existing at the time of the making of this Mortgage, then the said Loan Agreement and the whole indebtedness, less unearned charges if any, secured by this Mortge, including all payments for taxes, assessments, insurance premiums, and liens, as herein specified shall, at the option of Mortgagee and without notice to Mortgagor (such notice being hereby expressly waived), be deemed to have matured and become due and payable at once, or at any time thereafter at Mortgagee's option, by foreclosure or otherwise. In the event of such default, Mortgagor agrees to pay Mortgagee's reasonable attorney's fees and/or foreclosure costs actually incurred, except to the extent that the payment of such items by the Mortgagor shall be prohibited or limited by the provisions of the Indiana Uniform Consumer Credit Code.

STATE OF INDIANA,
COUNTY OF LAKE } ss:

DATE OF MORTGAGE ___5-21-90___

Before me, the undersigned, a Notary Public in and for said County and State, on this ___21st___ day of ___MAY___ 19__90__ personally

IN WITNESS WHEREOF, said Mortgagor(s) hereunto set hand and seal the day and year first above written.

appeared ___PHILLIP M. ESPINOZA & JANIE LEE ESPINOZA AKA JANIE LEE BUCKLEY___
and acknowledged the execution of the above and foregoing mortgage.

Witness my Signature and Seal.

_Phillip M. Espinoza_ _____ (SEAL)
MORTGAGOR, BORROWER PHILLIP M. ESPINOZA

My Commission Expires,
2-4-93

_Janie Lee Espinoza (AKA) Janie Lee Buckley_ (SEAL)
MORTGAGOR, BORROWER JANIE LEE ESPINOZA
AKA JANIE LEE BUCKLEY

NOTARY PUBLIC DONNA R. LEE
A RESIDENT OF LAKE COUNTY
13-0552 (REV. 8-89) IN

ORIGINAL