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REAL ESTATE MORTGAGE

This Indenture Witnesseth, that Jeffrey J. Kapp and Mary K. Waisnora, jointly and severally (hereinafter called "Mortgagor"), Mortgage and Warrant to Dale G. Sorrels, Crown Point, Indiana, (hereinafter called the "Mortgagee"), the following described real estate, to-wit:

SEE ATTACHED LEGAL DESCRIPTION

together with all rights, easements, privileges and appurtenances thereunto appertaining and all improvements now or hereafter placed on said property and all fixtures, equipment and appliances used or in connection with said improvements, and the rents, issues and profits of said mortgaged premises to secure the performance of all conditions and stipulations of this agreement; and:

A. To secure the payment of Mortgagor's indebtedness to mortgagee in the principal sum of One Hundred Seventy Two Thousand Four Hundred Sixteen & 43/100 (\$172,416.43) Dollars, and interest thereon, evidence by Mortgagor's note of even date herewith, payable according to the terms thereof, or installments, the last of which is payable on the 1st day of July, 2006, which sums of money hereby secured the Mortgagor agrees to pay, without relief from valuation and appraisements laws, and with attorney fees; **the Lake County Recorder!**

B. To secure any renewal or extension of such indebtedness;

C. To secure all future advances;

D. To secure all indebtedness or liabilities incurred by the holder for the protection of this security or for the collection of this mortgage.

Mortgagors further covenant and agree as follows:

1. The Mortgagor will keep all improvements now on said premises, or hereafter erected thereon in a good state of repair and will not permit any waste thereon and will neither do nor permit to be done upon said premises anything that might tend to diminish the value thereof.

2. That Mortgagor will pay, before the same become delinquent, all taxes, charges, and assessments of every kind that may be levied on said premises, or any part thereof. Mortgagor shall provide to the Holder hereof, evidence of payment upon reasonable request.

3. To keep all buildings, fixtures and improvements on said premises, now or hereafter erected thereon, and all equipment attached to or used in connection with the fixtures on said premises herein mortgaged insured against loss or damage by fire, windstorm, and extended coverage in such sums and with such insurers as may be approved by Mortgagee as a further security for said indebtedness, which insurance policy or policies shall carry a mortgage clause, with loss payable to Mortgagee in form satisfactory to Mortgagee to be delivered to possession of Mortgagee to be held continuously through period of the existence of said indebtedness or any portion thereof.



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4. That in case the Mortgagor fails to pay any tax, or assessment, or fails to keep the buildings on said premises in good repair and insured as above provided, the Mortgagee may pay such taxes, or assessments, or may redeem said premises from sale for taxes or assessments, make repairs or procure insurance, and may pay, remove or discharge any claim, lien or encumbrance, or may purchase any tax title or claim against said premises, and protect the title and possession thereof, in order to preserve the priority of the lien of this mortgage thereon, and may employ attorneys at law to perform any service connected with the mortgage, or to prosecute or defend any suit affecting or involving this mortgage or the title or possession of said premises, and that all moneys paid for any such purpose and all moneys paid out by the Mortgagee to protect the lien of this mortgage and the security intended to be effected hereby, shall be immediately due and payable with interest thereon at the rate of twelve (12%) per cent and become so much additional indebtedness, secured by this mortgage, provided, however, that it shall not be obligatory upon the Mortgagee to advance funds for any of the purposes aforesaid, or to inquire into the validity of such taxes or assessments, or tax sale (the receipts of the proper officers being conclusive evidence of the validity and amount thereof) or into the necessity of such repairs.

5. That if default be made in the performance of any of the covenants or agreements herein or in said note contained, on the part of the Mortgagor to be kept and performed, then the whole or said indebtedness secured hereby, including all payments for liens, taxes, assessments, attorney fees, costs, charges or expenses, shall at the election of the Mortgagee, and without notice of such election, at once become and be due and payable at the place of payment aforesaid, anything in said note or herein to the contrary notwithstanding and thereupon the Mortgagee shall have the right (either with or without process of law, using such force as may be necessary) to enter upon and possess, hold and enjoy said property, and to lease the same or any part thereof upon such terms as it shall deem best, and to collect and receive all rents, issues and profits thereof, and to make alterations, improvements and repairs, effect insurance, pay taxes, assessments and do all such other things as may be deemed necessary for the proper protection of the property; and the Mortgagee shall have the right to foreclose this mortgage and shall have all the other rights and remedies that the law provides. In the event that any payment provided for in the note secured hereby shall become overdue for a period in excess of three (3) days, the Mortgagor agrees to pay a "late charge" of fifteen cents (\$0.15) for each dollar (\$1.00) so overdue for the purpose of defraying the expense incident to handling the delinquent payment.

6. That upon commencement of any foreclosure or at any time thereafter and prior to the expiration of the time for redemption from any sale of said premises on foreclosure, any court of competent jurisdiction, upon application of the Mortgagee, may appoint a receiver for said premises to take possession thereof, to collect the rents, issues, and profits therefrom during the pendency of such foreclosure and until the time to redeem the same from foreclosure sale shall have expired, and out of rents, issues and profits, to make necessary repairs and to keep the said premises in proper condition and repair, and to pay all taxes, or assessments, to redeem from tax or assessment sale, to pay insurance premiums necessary to keep said premises insured in accordance with the provisions of this mortgage and to pay the expense of the receivership, and said receiver shall apply the net proceeds to the payment of the indebtedness secured hereby,

and such receiver shall have all the other usual powers of receivers in such cases. Said receiver may be appointed irrespective of the value of the mortgaged property or its adequacy to secure or discharge the indebtedness due or to become due.

7. That in case suit be brought to foreclosure this mortgage a reasonable sum shall be allowed to the Mortgagee in such proceeding for attorney fees, title or other expense incident to such foreclosure proceeding, which several sums shall be so much additional indebtedness secured hereby, and shall be recoverable as such whether the suit proceeds to decree or not and shall be included in the decree entered in such foreclosure.

8. That the Mortgagee, at its option, may extend the maturity of the note and indebtedness secured hereby, or any balance due thereon, from time to time, upon written agreement executed by the Mortgagor, for such further periods, at such rate of interest, and upon such conditions as may then be agreed upon, and no such extension and no forbearance or delay of the Mortgagee in enforcing any of the provisions of this indenture, shall operate to impair the lien or waive any rights accrued or that might accrue hereunder.

9. That in the event the mortgaged property or any part thereof, be taken by condemnation, the Mortgagor is hereby empowered to collect and receive all compensation which may be paid for damages. Provided, however, if more than twenty (20) feet of frontage is taken by the Lake County Recorder, Mortgagee shall receive any award of damages. Such receipt shall be deemed, and constitute, a prepayment on the balance due and owing to Mortgagee.

10. On sale or transfer of all, or any part of the property, or any interest therein, the Holder hereof, may, at his option, declare all sums secured by this mortgage to be due and payable.

No sale of the premises hereby mortgaged or extension of time for the payment of the debt hereby secured shall operate to release, discharge or modify in any manner the effect of the original liability of the Mortgagor, and any extension of time on this mortgage by Mortgagee or his assigns, without the consent of the holder of any junior lien or encumbrance, shall not operate to cause a loss of the priority of this mortgage over such junior lien. Mortgagee shall be subrogated to any lien or claim paid by moneys advanced and hereby secured.

11. That the Mortgagor assigns to Mortgagee as additional collateral security for the indebtedness hereinbefore described, all of the rents, issues and profits accruing under any leases now on said property, or which may hereafter be placed thereon, and all leases or sub-leases are hereby directed, upon demand of Mortgagee, to pay said rents, issue and profits direct to Mortgagee, this assignment to become null and void upon release of this mortgage, PROVIDED, however, this assignment shall become effective only upon default by Mortgagor in making payment of any installment of the note hereby secured or in the performance of any of the terms and conditions of this mortgage.

12. In the event any proceedings shall be instituted on any junior lien or encumbrance against said real estate, then the Mortgagee herein may immediately declare this mortgage due and payable and institute such proceedings as may be necessary to protect his interest.

SCHEDULE A

LEGAL DESCRIPTION

Part of the Northwest 1/4 of the Northeast 1/4 of Section 17, Township 35 North, Range 9 West of the 2nd Principal Meridian, in the Town of Schererville, Lake County, Indiana, described as follows: Commencing at the Southeast Corner of said 1/4 1/4 Section and running thence West along the South line thereof, 391.00 feet; thence North parallel with the East line thereof, 333.93 feet to the center line of Lincoln Highway; thence East along center line of said highway, 390.00 feet to the East line of said tract; thence South along the East line of said tract, 334.20 feet to the point of beginning; also part of the Northwest 1/4 of the Northeast 1/4 of Section 17, Township 35 North, Range 9 West of the 2nd Principal Meridian, in the Town of Schererville, Lake County, Indiana described as follows: Commencing at the Northeast corner of said 1/4 1/4 Section, thence South along the East line thereof, 50.57 feet to the center line of the existing public road; thence Northwest along the center of said road, 390.10 feet to a point on the North line of said 1/4 1/4 Section; thence East along the North line of said 1/4 1/4 Section, 325.22 feet to the point of beginning.

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Less and except part of the Northwest 1/4 of Section 17, Township 35 North, Range 9 West of the 2nd P.M., in the Town of Schererville, Lake County, Indiana, described as follows: beginning at the Southeast corner of said 1/4 1/4 Section and thence running North 88 degrees, 45 minutes, 30 seconds West along the South line thereof, 200.00 feet; thence North 00 degrees, 00 minutes 00 seconds East parallel with the East line thereof, 334.21 feet to the center line of Lincoln Highway; thence South 88 degrees, 46 minutes, 40 seconds East along the center line of said highway, 200.00 feet to the East line of the NW 1/4, NE 1/4 of said Section; thence South 00 degrees, 00 minutes 00 seconds East along the East line of said tract, 334.20 feet more or less to the point of beginning; also part of the SW 1/4 of the NE 1/4 of Section 17, Township 35 North, Range 9 West of the 2nd P.M. in the Town of Schererville, Lake County, Indiana, described as follows: beginning at the Northeast corner of said 1/4 1/4 section; thence South 00 degrees, 00 minutes 00 seconds East along the East line thereof, 50.57 feet to the center line of the existing public road; thence North 79 degrees, 57 minutes, 33 seconds West along the center line of said road, 203.06 feet; thence North 00 degrees, 00 minutes, 00 seconds East, 19.5 feet to the North line of said 1/4 1/4 Section; thence South 88 degrees, 45 minutes, 30 seconds East, along the North line of said 1/4 1/4 Section, 200 feet to the point of beginning.

Commonly known as: 1019 W. Lincoln Highway, Schererville, IN

Key No. 13-112-22 Unit 20