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REAL ESTATE MORTGAGE

THIS MORTGAGE, made this 26th day of February, 1993, between William and Nellie Gaines, husband and wife

whose address is 1522 Somerset Drive, Munster, IN as "Mortgagors", and Michigan National Bank, a national banking association, having an office in Niles, Michigan, hereinafter referred to as "Bank".

WITNESSETH: That the Mortgagors, in consideration of the principal amount of Twenty One Thousand Six Hundred Ninety Eight and no/100*** DOLLARS, \$21,698.00 paid to them by the Bank, the receipt of which is hereby acknowledged, hereby mortgage and warrant to the Bank, its successors and assigns, forever, the land and property situated in the Town of Munster, County of Lake, and State of Michigan, described as follows:

Lot 131 in Somerset, in the Town of Munster, as per plat thereof, recorded in Plat Book 68 page 12, in the Office of the Recorder of Lake County, Indiana.

STATE OF INDIANA
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together with all privileges, improvements, easements, rights, hereditaments and appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all buildings, fixtures, and articles of personal property (which shall include all articles furnished in letting or operating the building and improvements) which are now, or shall hereafter be placed upon or be attached to said premises in any manner, or used in connection therewith, all of which for the purpose of this mortgage are hereby declared and shall be deemed to be fixtures and accessions to the freehold and a part of the realty as between the parties hereto; their heirs, personal representatives, successors and assigns, and all persons claiming by, through or under them, and shall be deemed to be a portion of the security for the indebtedness herein mentioned and to be subject to the lien of this mortgage;

TO SECURE the covenants and agreements herein contained or contained in any agreement between the parties hereto pertaining to said indebtedness and payment when due of said principal amount according to the note or notes of even date herewith executed by Mortgagors to Bank and for the payment of such other sums as Bank may have heretofore or hereafter advanced to Mortgagors, or either of them, and any other indebtedness of any kind now or hereafter owing or to become due from Mortgagors; or either of them, to Bank or to the holder of said note or assignee of said mortgage, howsoever created, incurred, evidenced or arising, whether primary, secondary or contingent together with interest and charges provided in said evidence of obligation. The foregoing, herein referred to as the "indebtedness", excludes therefrom any hereinafter created indebtedness from Mortgagors to Bank arising out of a transaction whereby the Mortgagors have a right to rescind the same under any Federal or State law or regulation and where the Bank has not delivered to the Mortgagors prior to the creation of said indebtedness a required notice to rescind or any other required notice or disclosure.

MORTGAGORS COVENANT AND AGREE:

- First. The Mortgagors will pay the note or other indebtedness secured hereby in accordance with the terms thereof and will keep and perform all of the terms and conditions and covenants contained in the note or any other agreement between the parties pertaining to said indebtedness, including reimbursement for recording the discharge of this mortgage.
 - Second. To pay to Bank if the Bank so requires, with the monthly payments of principal and interest, a pro rata portion of the taxes, assessments, mortgage guarantee insurance premium so long as this mortgage is insured by a mortgage guarantee insurance policy, and hazard insurance premiums next to become due, as estimated by Bank, so Bank will have sufficient funds on hand to pay taxes, assessments, and insurance premiums thirty (30) days before the due date thereof, and to pay to Bank immediately any deficit thereon. Money so held shall not bear interest, and, upon default, may be applied by Bank on the account of the mortgage indebtedness. Bank will have no obligation to pay taxes, assessments, mortgage guarantee insurance premiums, or hazard insurance premiums until Bank has received a bill or other specific demand for payment.
 - Third. To keep all insurable property secured by this mortgage insured as Bank may require, and to pay when due all premiums on any such insurance in the manner above provided. All insurance shall be carried in companies approved by Bank and the policies and renewals thereof shall be held by Bank and have attached thereto mortgage clauses in favor of and in form acceptable to Bank. Each insurance company concerned is hereby directed to make payment for such loss to Bank only, and the insurance proceeds, or any part thereof, may be applied by it upon any indebtedness secured hereby, or to the restoration or repair of the property damaged, at its option, and any surplus shall be paid to Mortgagors.
 - Fourth. To pay if required by Bank any mortgage guarantee insurance premium with respect to any insurance which guarantees, in whole or in part, the indebtedness secured by this mortgage.
 - Fifth. To pay when due all taxes, assessments and other charges which are now or shall hereafter be a lien against said premises; or any part thereof, and for which provision has not been made hereinbefore, and deliver to Bank receipts showing the payment thereof.
 - Sixth. To keep all property covered hereby in good repair and condition, to comply promptly with all laws, ordinances, regulations or requirements of any governmental authority applicable thereto, and to abstain from the commission of waste.
 - Seventh. Should any default be made in the covenants or conditions hereof, or in any agreement between the parties hereto pertaining to this indebtedness, Bank may, without demand or notice, pay any taxes, assessments, premiums or liens required to be paid by Mortgagors, effect any insurance provided for herein, make such repairs, cause the abstract or abstracts of title or title insurance policy and tax histories of said premises to be certified to date or procure new abstracts of title or title insurance and tax histories in case none were furnished to it and procure title reports covering said premises, and the sums paid for any or all of said purposes shall from the time of payment thereof be due, with interest thereon, at the rate of interest set forth in the evidence of indebtedness and shall constitute a further lien upon said premises under this mortgage. All abstracts of title, title insurance, tax histories, surveys and other documents pertaining to this indebtedness shall remain in Bank's possession until the indebtedness is paid in full. In the event of foreclosure, the abstracts of title or title insurance shall become the property of Bank.
 - Eighth. The failure, refusal or neglect of Mortgagors to pay any taxes or assessments levied against said premises, or any insurance premiums upon policies of insurance covering said premises, shall constitute waste under the applicable statute.
 - Ninth. The Bank, at its option, may declare the entire indebtedness immediately due and payable upon any sale or encumbrance, voluntary or involuntary, by the Mortgagors of any interest in the above described premises, without the Bank's written consent.
- No sale or transfer of the premises, with or without Bank's consent, and no forbearance on the part of the Bank, and no extension of the time for the payment of the debt hereby secured given by the Bank, either to the Mortgagors or their successors in interest, shall operate to release, discharge, modify, change or affect the original liability of the Mortgagors herein, either in whole or in part, and the Bank may deal with such successor in interest with reference to this Bank, and the note and indebtedness hereby secured, in the same manner as with the Mortgagors, without in any manner releasing, voiding or discharging the Mortgagors' liability hereunder or for the debt and other advances hereby secured.
- Tenth. In the event the mortgaged premises, or any part thereof, are taken under the power of eminent domain, the entire award shall be paid to the Bank, and applied first upon the principal last maturing hereunder, and the Bank is hereby appointed attorney-in-fact for this purpose and is empowered in the name of the Mortgagors to receive and give acquittance, discharge and satisfaction for such award or judgment, whether it be joint or several, on behalf of the Mortgagors or their successors in interest.

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Eleventh. As further and additional security for the obligations secured by this mortgage, Mortgagor hereby gives and grants to Bank, its successors and assigns, a security interest in all Mortgagor's personal property of any nature whatsoever, at any time in the possession of Bank, and in any balance of Mortgagor's deposit account(s) with Bank, which Bank may apply in the event of default under this mortgage upon the indebtedness in such manner as Bank, in its discretion, shall deem advisable.

Twelfth. As further and additional security for the obligations secured by this mortgage, pursuant to Act 66 of the Public Acts of Michigan of 1956, as amended from time to time, or any other Act pertinent thereto, Mortgagors hereby sell, assign, transfer and set over unto Bank, its successors and assigns, all or any part of the oil and gas located in, on or under the mortgaged premises if such are oil and gas properties, and all or any part of the rents, profits and income from the mortgaged premises, and the income from the sale of oil and gas produced or to be produced from the mortgaged premises. This assignment shall become operative upon default by Mortgagor in any of the terms or covenants of this mortgage, or in any agreement between the parties pertaining to the indebtedness secured by this mortgage, and upon the occurrence of any such event of default the Bank shall be entitled to the present and full possession, receipt, use and right to the oil and gas, the rents, profits and income, and the oil and gas properties; as security and for application upon the indebtedness secured by this mortgage.

Thirteenth. If the rate of interest charged on the indebtedness is determined to be usurious, in whole or in part; then the entire indebtedness shall become immediately due and payable should the Bank so elect.

Fourteenth. In the event of default by Mortgagors in the payment of all or a part of any installment of principal, interest or any other sum secured by this mortgage, or upon default by Mortgagors in the payment of all or a portion of any taxes, assessments or insurance payable hereunder, or upon default by Mortgagors in the performance of any of the covenants or conditions of this mortgage, or in any agreement between the parties pertaining to the indebtedness secured by this mortgage, or should Mortgagors permit any lien to be placed against the property or do any act resulting in the property being made less valuable, Bank may, without notice, at its option, declare the entire indebtedness secured by this mortgage to be then or thereafter due and payable, regardless of the date of maturity, and Bank is hereby authorized and empowered to sell or cause to be sold said premises at public auction, and to execute and deliver to the purchaser or purchasers at such sale, deeds of conveyance good and sufficient at law, pursuant to the statute in such case made and provided; and out of the proceeds of the sale to retain the sum then due hereunder, and all costs and charges of the sale, including reasonable attorney's fees, rendering any surplus moneys to Mortgagors, and such a sale or a sale made pursuant to a judgment in chancery for the foreclosure hereof, may, at the option of the Bank, be made en masse. The commencement of proceedings to foreclose this mortgage in any manner authorized by law shall be deemed an exercise of the above option. In the event that the Bank shall institute judicial proceedings to foreclose this mortgage and to cause said premises to be sold at public auction; Bank shall be entitled to recover all its costs and expenses, including reasonable attorney's fees, incurred in connection with such proceedings and sale. After the date the indebtedness secured by this mortgage has been accelerated by the Bank, acceptance by the Bank of any amounts paid by the Mortgagor, which are less than the full outstanding principal balance of the indebtedness plus accrued interest and late charges, shall not be deemed a waiver of default or acceleration, but shall be credited toward the balance owed unless the Bank specifically agrees in writing to waive default and/or acceleration.

Fifteenth. If the mortgage is to be second and subordinate only to a first mortgage, Mortgagors covenant and agree to pay said first mortgage indebtedness in accordance with the terms of the note or obligation secured by that first mortgage and to keep and perform all of the terms, conditions and covenants of said note, mortgage or other agreements pertaining thereto, and default by Mortgagors thereunder shall likewise constitute a default under this mortgage. The Bank may cure any default by the Mortgagors that it deems necessary to protect its security interest and all costs incurred in effecting that cure, including reasonable attorney's fees; shall be added to the indebtedness secured by this mortgage and shall be immediately due and payable. Mortgagors shall not be required to make monthly payments required by this mortgage for a reserve fund for payment of taxes, assessments and insurance premiums, if the first Mortgagee requires and receives the same and maintains a reserve fund which, in the opinion of the Bank, is adequate for the payment of taxes, assessments and insurance premiums due or to become due.

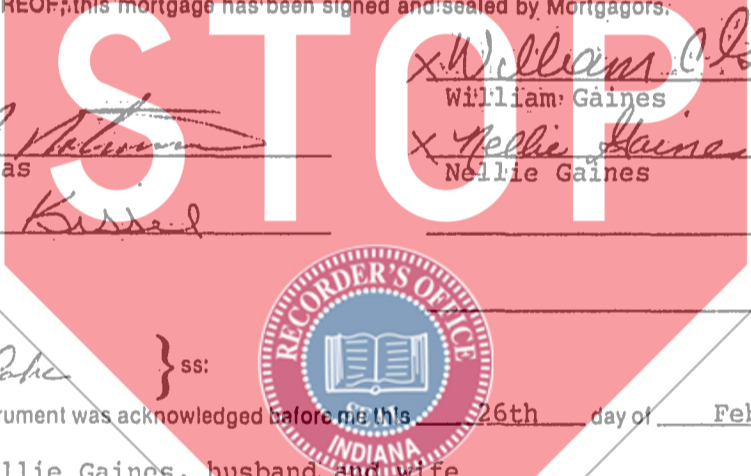
Sixteenth. All of the rights and remedies granted to the Bank hereunder shall be cumulative and not exclusive one of the other or of any other remedy provided for by law, and may be exercised either successively or concurrently. The term used to designate any of the parties herein shall be deemed to include the successors and assigns of such parties, and the term "Bank" shall also include any lawful owner, holder or pledgee of the indebtedness secured hereby. The pronouns and relative words used in this mortgage are intended to apply in the singular, plural, feminine or neuter terms as the context may require in order to appropriately refer to the parties designated. The covenants and conditions hereof shall bind, and the benefits and advantages hereof shall inure to, the respective heirs, personal representatives, assigns and successors of the parties to this mortgage.

IN WITNESS WHEREOF, this mortgage has been signed and sealed by Mortgagors.

Signed and delivered in presence of:

William A. Matunas
William A. Matunas
Sharon L. Kissel
Sharon L. Kissel

William Gaines
William Gaines
Nellie Gaines
Nellie Gaines



STATE OF MICHIGAN
COUNTY OF Berrien

ss:

The foregoing instrument was acknowledged before me this 26th day of February, 1993

by William and Nellie Gaines, husband and wife

Norma L. Allen
Norma L. Allen
Notary Public
Berrien County, Michigan

STATE OF MICHIGAN
COUNTY OF

ss:

My Commission expires: JUNE 2, 1995

The foregoing instrument was acknowledged before me this _____ day of _____, 19____.

by _____, partner on behalf of

_____, a partnership.

Notary Public

County, Michigan

My Commission expires: _____

Drafted By:
Sharon Kissel/MNB
1903 South 11th St.
Niles, MI 49120

When recorded, return to:
Michigan National Bank
Disbursement Area 27-47
P.O. Box 368
Southfield, MI 48037

