

Ernest, Ernest et al
142 Rimbach
Hamd, Ind
46320

93049173

RETURN TO: Lake Federal Savings and Loan, P. O. Box 2277,
Hammond, Indiana 46323

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

**GUARANTY OF NOTE SECURED BY MORTGAGE
AND THE MORTGAGE THEREON**

WHEREAS on May 5, 1967, RICHARD J. HAMMOND and IRENE L. HAMMOND, husband and wife, (hereinafter called Mortgagors) executed and delivered to LAKE FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND, Indiana, a United States corporation, (hereinafter called Association or Mortgagee), their Promissory Note for TWENTY THOUSAND TWO HUNDRED FIFTY AND NO/100 (\$20,250.00) DOLLARS and simultaneous with the execution of the aforesaid Promissory Note, and to secure the payment thereof, the said RICHARD J. HAMMOND and IRENE L. HAMMOND, as husband and wife, executed and delivered a Real Estate Mortgage upon the real estate described as to-wit:

Lot Ten (-10), Block Two (2), Knickerbocker Manor 5th Addition to the Town of Munster, as shown in Plat Book 34, Page 25, in Lake County, Indiana.

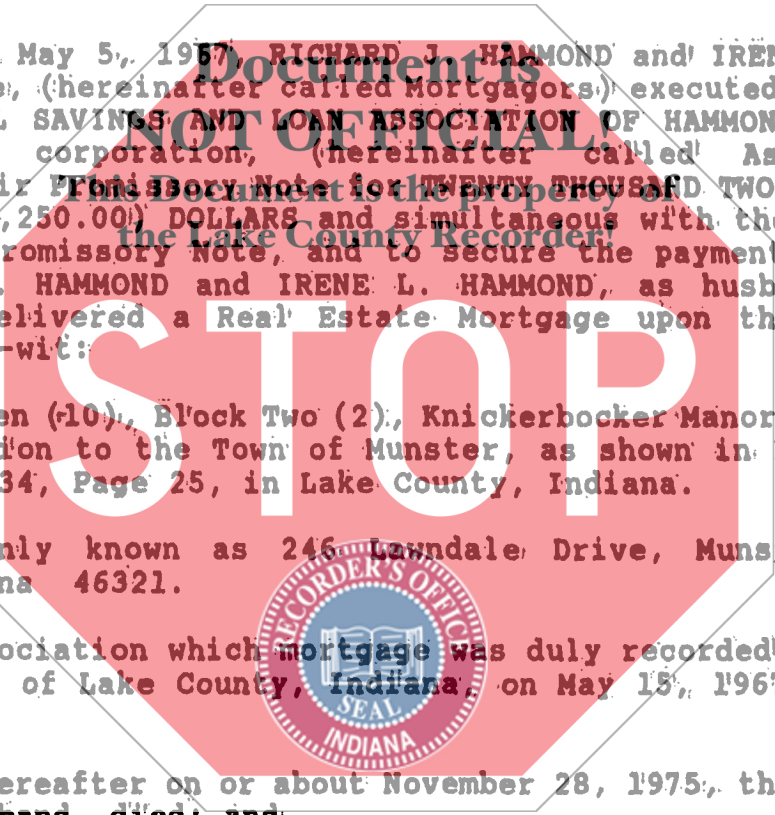
Commonly known as 246 Lawndale Drive, Munster, Indiana 46321.

to the said Association which mortgage was duly recorded in the Office of the Recorder of Lake County, Indiana, on May 15, 1967, as Document No. 706500; and

WHEREAS thereafter on or about November 28, 1975, the said RICHARD J. HAMMOND, husband, died; and

WHEREAS thereafter on or about the 16th day of February, 1984, the said IRENE L. HAMMOND did execute a Quit-Claim Deed to JEFFREY HAMMOND and LINDA TOLAN, for the aforesaid real estate which said Deed was Recorded February 23, 1984, as Document No. 716553 in the records of the Recorder's Office of Lake County, Indiana; and

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TICOR TITLE INSURANCE
Crown Point, Indiana

STATE OF INDIANA / S.S. J.D.
LAKE COUNTY
RECORDED
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J. GILLICH
RECORDER

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WHEREAS thereafter on or about the 23rd day of April, 1985, the said JEFFREY HAMMOND and LINDA TOLAN did execute a Quit-Claim Deed to JEFFREY HAMMOND for the aforesaid real estate which said Deed was recorded April 29, 1985, as Document No. 801049 in the records of the Recorder's Office of Lake County, Indiana; and

WHEREAS sometime thereafter JEFFREY HAMMOND, a single person, began making payments on said note and mortgage to the Association on behalf of said RICHARD J. HAMMOND and IRENE L. HAMMOND; and

WHEREAS thereafter on or about March 21st, 1986, the said IRENE L. HAMMOND died; and

WHEREAS as of June 1, 1993, the principal balance due on said note and mortgage of THREE THOUSAND SEVEN HUNDRED SEVENTY TWO AND 31/100 (\$3,772.31) DOLLARS; and

WHEREAS simultaneously herewith the said JEFFREY HAMMOND is having his Affidavit of Survivorship, dated June 3, 1993, recorded in the Office of the Recorder of Lake County, Indiana.

NOW THEREFORE: for value received, the sufficiency of which is hereby acknowledged, and in consideration of the aforesaid Association forbearing from pursuing any cause of action upon the aforesaid mortgage loan made to RICHARD J. HAMMOND and IRENE L. HAMMOND, the undersigned covenants, promises, and agrees with LAKE FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND, a United States Corporation, having its principal place of business in Hammond, Indiana herein, together with its successors and assignees as follows:

1. The undersigned hereby unconditionally guarantees the full and prompt payment when due, whether by acceleration or otherwise and at all times hereinafter of (a) Promissory Note, dated May 5, 1967, secured by a first mortgage on the aforesaid described real estate in Lake County, Indiana, in the principal amount of TWENTY THOUSAND TWO HUNDRED FIFTY AND NO/100 (\$20,250.00) DOLLARS, upon which as of June 1, 1992, there was due and owing the principal amount of THREE THOUSAND SEVEN HUNDRED SEVENTY TWO AND 31/100 (\$3,772.31) DOLLARS plus future advances thereunder as provided in said first mortgage, executed by the Mortgagors payable to the order of the Mortgagee; (b) any and all extensions or renewals of said note, and all expenses including attorneys fees, incurred in the collection thereof or the enforcement of rights under any security therefore and the enforcement thereof; and (c) any indebtedness resulting from advances made on Mortgagors' behalf by Mortgagee to protect or preserve the priority and security of its first lien [all of the foregoing items, (a), (b), (c), being hereinafter called the "liabilities"].

2. The undersigned further unconditionally guarantees the faithful, prompt and complete compliance by the Mortgagor with all the terms and conditions of the Promissory Note, the Mortgage security, payments of the liabilities, the Supplemental Agreement thereto, and all Agreements, Documents, Instruments securing payment of the liabilities or related thereto (such as the Promissory Note, Mortgage, and all other instruments collectively referred to herein as "the Loan Documents"), and the payment of all costs, expenses, charges, and other expenditures required to be made by the Mortgagor or which the Mortgagor agrees to make under the terms and provisions of any loan document. In the event the Mortgagor fails to perform his covenants, agreements and undertakings as provided in any loan document, the undersigned shall immediately upon the written demand of the Mortgagee promptly and with due diligence do and perform for the benefit of the Mortgagee, all of such covenants, agreements and undertakings as if they constituted the direct and primary obligations of the undersigned. The obligations of the undersigned hereunder are independent of the obligations of the Mortgagors, and a separate action or actions for payment, damages or performance may be brought and prosecuted against the undersigned, whether or not an action is brought against the Mortgagor or the security for the Mortgagor's obligations, and whether or not the Mortgagor be joined in any such action or actions, and whether or not notice be given or demand be made upon the Mortgagor.

Any amount received by the Mortgagee from whatever source and applied by it toward the payment of the liability shall be applied in such order of application as the Mortgagee may from time to time elect.

3. The undersigned hereby expressly waives:
- (a) Notice of the acceptance of this Guaranty,
 - (b) Notice of the existence or creation of any loan document or of all or any of the liabilities,
 - (c) Presentment, demand, Notice of Dishonor, protest, and all other notices whatever, and
 - (d) All diligence on the part of the Mortgagee in collection or protection of, or realization upon, any security for any of the liabilities or in enforcing any remedy available to it under any loan document.

Mortgagee may, without notice of any kind, sell, assign, or transfer all or any of the liabilities, and in such event, each and every immediate and successive assignee, transferee, or holder of all or any of the liabilities, shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of such assignee, transferee, or holder, as fully as if such assignee, transferee, or holder were herein by named specifically and given such rights, powers and benefits.

No delay or failure on the part of the Mortgagee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Mortgagee of any right or remedy herein shall preclude other or further exercise thereof, or the exercise of any other right or remedy whether contained herein or in the Note, Mortgage, or any other Loan Document. No action of the Mortgagee permitted hereunder shall in any way impair or affect this Guaranty. No right or power of the Mortgagor or any one else to assert any claim or defense as to the invalidity or enforceability of any Loan document or the liability shall impair or affect the obligations of the undersigned hereunder.

4. It is fully understood that until each and every one of the covenants and agreements of this Guaranty are fully performed, the undersigned obligation shall not be released in whole or in part, by any action or thing which might, but for the provision of this instrument, be deemed a legal or equitable discharge of the surety or guarantor, or by reason of any waiver, extension, modification, forbearance or delay, or other act or omission of Mortgagee or its failure to proceed promptly or otherwise, or by reasons of any action taken or omitted by Mortgagee, whether or not such action or failure to act varies or increases the risk of or affects the rights or remedies of the undersigned, or by reason of any further dealings between Mortgagor or Mortgagee or any other Guarantor and the undersigned hereby expressly waives and surrenders any defense to their liability hereunder based upon any of the foregoing acts, purpose and intent of the parties hereto that the covenants, agreements, and all obligations hereunder are absolute, unconditional, and irrevocable under any and all circumstances except as provided hereinafter.

5. This Guaranty shall enure to the benefit of LAKE FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND, its successors and assignees, and shall bind the undersigned together with his heirs, legal representatives, successors and assignees. If more than one party shall execute this Guaranty, the term "undersigned shall mean all parties executing this Guaranty, and all such parties shall be jointly and severally obligated hereunder.

6. This Guaranty shall be construed in accordance with the laws of the State of Indiana, and such laws shall govern the interpretation, construction, and enforcement hereof. Whenever possible each provision of the Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

7. Mortgagee shall be entitled to assign this Guaranty and all of its rights, privileges, interest and remedies hereunder to any other person, firm, entity, bank or corporation whatsoever without notice to or consent by the undersigned, and such assignee shall be entitled to the benefits of this Guaranty and to exercise all such rights, interest and remedies as fully as the Mortgagee.

Any notice, demand or request by Mortgagee, its successors or assignees to the undersigned shall be in writing, and shall be deemed to have been duly given or made if either delivered personally to the undersigned or mailed by Certified or Registered Mail addressed to the undersigned at the address for such Guarantor specified below:

JEFFREY HAMMOND
245 Lawndale Court
Munster, Indiana 46321

DULY EXECUTED AND DELIVERED at Hammond, Indiana this 1st day of July, 1993.



Jeffrey Hammond
JEFFREY HAMMOND
306-76-4331

"GUARANTOR"

Personally appeared before me a Notary Public, and affixed his signature hereto this 1st day of July, 1993.

Nancy J. Savo
Nancy J. Savo, NOTARY PUBLIC

My Commission Expires: 3-3-95

Resident of LAKE County

This instrument prepared by:

Lowell E. Enslin, Attorney at Law
ENSLIN, ENSLEN & MATTHEWS
142 Rimbach
Hammond, Indiana 46320
Telephone: (219) 931-1700

