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REAL ESTATE MORTGAGE

THIS MORTGAGE is made this 10th day of January, 1996, between the Mortgagor, LAWRENCE W. TURNQUIST (herein "Borrower"), and the Mortgagee, ELIEN WALZ, (herein "Lender"), whose address is 2803 Beacon Hill, Ann Arbor, Michigan 48104.

WHEREAS, Borrower is indebted to Lender in the principal sum of SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00) which indebtedness is evidenced by Borrower's note of even date herewith (herein "Note"), providing for annual installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on the 31st day of December, 2005.

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any further advances, with interest thereon made to Borrower by Lender pursuant to Paragraph 21 hereof (herein "Future Advances"), Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Lake, State of Indiana:

- Parcel 1: The Southeast Quarter of the Southwest Quarter of Section 15 and the South one-half of the Northeast Quarter of the Southwest Quarter of Section 15, Township 34 North, Range 9 West of the 2nd P.M., Lake County, Indiana.
- Parcel 2: The South one-half of the Southwest Quarter of the Southeast Quarter of Section 15, Township 34 North, Range 9 West of the 2nd P.M., Lake County, Indiana.
- Parcel 3: The South one-third of the Southeast Quarter of the Southeast Quarter of Section 15, Township 34 North, Range 9 West of the 2nd P.M., Lake County, Indiana.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property covenants are herein referred to as the "Property".

1. Borrower covenants that Borrower is lawfully seized of the real estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.
2. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and the principal of and interest on any Future Advances secured by this Mortgage.
3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraph 2 hereof shall be applied by Lender first in payment of interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.
4. Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender, upon Lender's request, receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in the manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.
5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and such other hazards as Lender may require and in such amounts.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier.

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All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall be furnished a certificate of insurance evidencing such policies and renewals thereof upon request by the Lender. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

6. Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower shall further keep the arable land in good productive condition.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceedings is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 7 with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expenses or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damage, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the annual installments referred to in Paragraph 2 hereof or change the amount of such installments.

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by this original Borrower and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender 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 such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. 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.

13. Successors and Assigns Bound; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 17 hereof. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Governing Law. This Mortgage shall be governed by the laws of the State of Indiana. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

17. Transfer of Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower, including a Contract for Conditional Sale, or Installment Sales Contract, without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successors in interest have executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercised such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Paragraph 18 hereof.

18. Acceleration; Remedies. Except as provided in Paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceedings the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosures, including but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

19. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this

Mortgage, the Note and Notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in Paragraph 19 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 18 hereof or abandonment of the Property, Lender shall be entitled, to the extent provided by applicable law, manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property, and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sum secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

21. Future Advances and Additional Amounts. It is agreed and intended by the parties that the Mortgagee may make future advances to the Mortgagor, in an amount or amounts exceeding that of the obligation initially secured by this Mortgage or which may otherwise become due as a result of such initial obligation. If such future advances or additional amounts are made, this Mortgage shall secure the payment of any and all such future advances and of any such additional amounts, whether or not said future advances or additional amounts are in any way related to, are of the same class as, or are made for a similar or related purpose as, the obligation initially secured hereby; and further, whether or not there is any additional or other security given for such future advances or for such additional amounts; and further, whether or not the undersigned Mortgagor is personally or principally obligated for the payment of such future advances or additional amounts, whether jointly or severally, and whether or not a third person or entity not a party hereto is also personally or principally obligated thereon, whether jointly or severally; and further, regardless of whether or not the Real Estate is owned by the Mortgagor with his spouse as husband and wife as tenants by the entireties and such future advances or additional amounts are the personal or principal obligation of only one of them; and further, whether or not the initial obligation secured hereby has been paid in whole or part; and further, whether or not the Lender shall have assigned or otherwise transferred their interest in the Real Estate to an assignee or a successor in interest, and whether or not such future advances or additional amounts are made to Mortgagor by the Lender or their assigns or their successors in interest; and further, whether or not there are any, or were any oral representations or other provisions of this Mortgage or any other document executed and/or delivered in conjunction with or related to the initial obligation secured hereby which are or may be construed to be in conflict with or in derogation of this paragraph in any manner whatsoever. Provided, further, that such future advances or additional amounts are equally secured and to the same extent as the initial obligation secured hereby. The Lender, their personal representatives, heirs, assigns and successors, at their option may accept a renewal note, or notes at any time for any portion of the initial obligation secured hereby, or for any portion of any such future advances or additional amounts secured hereby, and may extend the time for payment of any or all of said obligations without affecting the security of this Mortgage in any manner whatsoever.

22. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower.

23. Waiver of Valuation and Appraisal. Borrower hereby waives all right of valuation and appraisal.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.



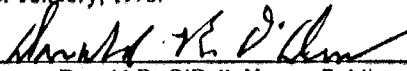
Lawrence W. Turnquist

STATE OF INDIANA)

)
COUNTY OF LAKE)

Before me, a Notary Public in and for the above County and State, personally appeared Lawrence W. Turnquist and acknowledged the execution of the foregoing instrument as his free and voluntary act.

Witness my hand and Notarial Seal, this 10th day of January, 1996.



Donald R. O'Dell, Notary Public
Residing in Lake County, Indiana

My Commission Expires:
12-28-96

THIS INSTRUMENT PREPARED BY: Donald R. O'Dell, Attorney at Law
P.O. Box 128, Lowell, Indiana 46356

