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MORRIS W. CARTER
RECORDER

Reception No. _____
Recorded this _____ day of _____, A.D. 19_____, _____ o'clock _____ m.

REAL ESTATE MORTGAGE

(This mortgage secures the described indebtedness and renewals thereof.)

THIS INDENTURE WITNESSETH, that JEFFREY A. FAUSNAUGH and
ELIZABETH A. FAUSNAUGH, HUSBAND AND WIFE

hereinafter called Mortgagor(s) of LAKE County, in the State of INDIANA,
Mortgage(s) and Warrant(s) to AMERICAN GENERAL FINANCE INC. 6701 BROADWAY SUITE 1A, MERRILLVILLE, IN

hereinafter called Mortgagee, of LAKE County, in the State of INDIANA,
the following described Real Estate situated in LAKE

County, in the State of Indiana, as follows, to wit:

Parcel I: Lot 75, Lincoln Gardens Third, as shown in Plat Book 35, page 33 in Lake County, Indiana.

Parcel II: Tract No. Seven (7), as marked and laid down on the recorded plat of Portlake Acres, a subdivision of the Northeast Quarter (NE 1/4) of the Southeast Quarter and the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section Twenty-one (21), Township Thirty-four (34) North, Range Seven (7) west of the Second Principal Meridian, in Lake County, Indiana, as the same appears of record in Plat Book 25, page 43, in the Recorder's Office of Lake County, Indiana.

DEMAND FEATURE (if checked) Anytime after _____ year(s) from the date of this loan we can demand the full balance and you will have to pay the principal amount of the loan and all unpaid interest accrued to the day we make the demand. If we elect to exercise this option you will be given written notice of election at least 90 days before payment in full is due. If you fail to pay, we will have the right to exercise any rights permitted under the note, mortgage or deed of trust that secures this loan. If we elect to exercise this option, and the note calls for a prepayment penalty that would be due, there will be no prepayment penalty.

to secure the repayment of a promissory note of even date herewith for the principal sum of \$ 108,825.00 executed by the Mortgagor(s) and payable to the Mortgagee, on or before 240 months after date, in installments and with interest thereon, all as provided in said note, and any renewal thereof; the Mortgagor(s) expressly agree(s) to pay the sum of money above secured, all without relief from valuation or appraisal laws, and with attorneys fees; and upon failure to pay any installment on said note, or any part thereof, at maturity, or the interest thereon, or any part thereof, when due, or the taxes or insurance as hereinafter stipulated, then said note shall immediately be due and payable, and this mortgage may be foreclosed accordingly; it is further expressly agreed by the undersigned, that until all indebtedness owing on said note or any renewal thereof is paid, said Mortgagor(s) shall keep all legal taxes and charges against said premises paid as they become due, and shall keep the buildings and improvements thereon insured for fire, extended coverage, vandalism and malicious mischief for the benefit of the Mortgagee as its interests may appear, and the policy duly assigned in the amount of ONE HUNDRED EIGHT THOUSAND EIGHT HUNDRED AND TWENTY FIVE Dollars (\$ 108,825.00), and failing to do so, said Mortgagee may pay said taxes, charges and/or insurance, and the amount so paid, with interest at the rate stated in said note, shall be and become a part of the indebtedness secured by this mortgage. If not contrary to law, this mortgage shall also secure the payment of all renewals and renewal notes hereof, together with all extensions thereof. The Mortgagors for themselves, their heirs, personal representatives and assigns, covenant and agree to pay said note and interest as they become due and to repay such further advances, if any, with interest thereon as provided in the note or notes evidencing such advances. If mortgagor shall fail to keep the real estate in a good condition of repair or shall permit the real estate to be in danger of the elements, vandalism or damage from other cause, Mortgagee may take such steps as are necessary in its judgment to protect the real estate.

If not prohibited by law or regulation, this mortgage and all sums hereby secured shall become due and payable at the option of the Mortgagee and forthwith upon the conveyance of Mortgagor's title to all or any portion of said mortgaged property and premises, or upon the vesting of such title in any manner in persons or entities other than, or with, Mortgagor unless the purchaser or transferee assumes the indebtedness secured hereby with the consent of the Mortgagee. If mortgagee exercises this option, Mortgagee shall give Mortgagor Notice of Acceleration. This notice shall provide a period of NOT LESS than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

If this mortgage is subject and subordinate to another mortgage, it is hereby expressly agreed that should any default be made in the payment of any installment of principal or of interest on said prior mortgage, the holder of this mortgage may pay such installment of principal or such interest and the amount so paid with legal interest thereon from the time of such payment may be added to the indebtedness secured by this mortgage and the accompanying note shall be deemed to be secured by this mortgage, and it is further expressly agreed that in the event of such default or should any suit be commenced to foreclose said prior mortgage, then the amount secured by this mortgage and the accompanying note shall become and be due and payable at any time thereafter at the sole option of the owner or holder of this mortgage.

This instrument was prepared by SANDI SERVISS

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Mortgagor(s) expressly understand and agree that by this mortgage they hereby assign to the Mortgagee all or Mortgageor(s) rights and interest in and to all rents or payment on land contracts from any and all tenants or contract purchasers due or to become due from any such tenants or purchasers so long as the indebtedness hereby secured remains unpaid in whole or in part.

And the Mortgagor(s) covenants that at all times during the continuance of this mortgage, he (they) will perform all covenants and conditions of all prior and existing mortgages to include payment of principal and interest on any debt or debts secured thereby and Mortgagor(s) agree that in the even of default in the performance of such covenants and conditions then the Mortgagee hereof may declare that any debt hereby secured shall be due and owing in full and Mortgagee may enforce this mortgage by foreclosure with costs and attorney fees, or otherwise. In the event Mortgagor(s) default in the performance of any obligations secured by a prior and existing mortgage, Mortgagee hereof may at its sole election pay and discharge said prior debt and mortgage and Mortgagor(s) agree to be indebted to Mortgagee thereof in the additional amount so advance and this mortgage shall also secure such additional debt on the same terms and conditions.

And, at the option of the mortgagee, it should be lawful for the mortgagee, who is hereby given and granted full right, license, power and authority, to peacefully enter into and take possession of the premises hereby mortgaged, or any part thereof, and to collect, receive and receipt for all rents, issues and profits thereof; and the mortgagors agree to deliver to the mortgagee at any time after default, on request, possession of the mortgaged premises and all leases, papers and records at any time in the possession or control of the mortgagors pertaining to the premises, and further agree to make, execute and deliver to the mortgagee all such further assurances as may be proper for perfecting or completing the security hereunder.

IN WITNESS WHEREOF, the said Mortgagor(s) ha VE hereunto set THEIR hand(s) and seal(s) this 7TH day of FEBRUARY, 1997.

Jeffrey A. Fausnaugh (SEAL) Elizabeth A. Fausnaugh (SEAL)
 Type name here JEFFREY A. FAUSNAUGH Type name here ELIZABETH A. FAUSNAUGH
 Type name here _____ Type name here _____

STATE OF INDIANA
 COUNTY OF LAKE

This Document is the property of
 the Lake County Recorder!

Before me, the undersigned, a Notary Public in and for said County, this 7TH day of FEBRUARY, 1997, came JEFFREY A. & ELIZABETH A. FAUSNAUGH and acknowledged the execution of the foregoing instrument.

WITNESS OF MY HAND and official seal.
 My Commission expires 4-9-99

Dana A. Hopkins
 DANA A. HOPKINS Notary Public LAKE CO., RES

RELEASE OF MORTGAGE

THIS CERTIFIES that the annexed Mortgage to _____ which is recorded in the office of the Recorder of _____ County, Indiana, in Mortgage Record _____, page _____, has been fully paid and satisfied and the same is hereby released.

Witness the hand and seal of said Mortgagee, this _____ day of _____, 19____.

 (Seal)
 By: _____

STATE OF INDIANA, _____ County ss:

Before me, the undersigned, a Notary Public in and for said county, this _____ day of _____, and acknowledged the execution of the annexed release of mortgage. _____, came _____

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed by official seal.

My Commission expires _____ Notary Public

MORTGAGE	FROM	TO	Received for record this _____ day of _____	19____ at _____ o'clock _____ m., and	recorded in Mortgage Record No. _____	page _____ Recorder _____	County _____	Fee \$ _____	