

97012014

97 FEB 26 PM 1:26

MORRIS W. CARTER
RECORDER

Chicago Title Insurance Company

[Space Above This Line for Recording Data]

REAL ESTATE MORTGAGE

Name(s)/Address(es) of Mortgagor(s) LEWIS B. BAGLEY, HUSBAND & DEBORAH J. BAGLEY, WIFE 8366 WEBSTER COURT CROWN POINT, IN 46307	Name/Address of Mortgagee FIRST BANK RICHMOND, S.B. AN INDIANA CORPORATION P.O. Box 937 Richmond, IN 47375
---	--

NOTE NUMBER	DATE OF MTG.	MATURITY DATE	LOAN AMOUNT	OFFICE	RENEWAL OF
3-1362-29	02/20/97	02/20/2012	20,100.00	003	
PRINCIPAL AMOUNT					\$ 20,100.00
TWENTY THOUSAND ONE HUNDRED & 00/100					

PROPERTY DESCRIPTION
LOT 24, HEATHER HILLS UNIT #1, AS SHOWN IN PLAT
BOOK 44, PAGE 16, IN LAKE COUNTY, INDIANA.

Document is NOT OFFICIAL!

This mortgage is made on the date noted above between the parties listed above. The Mortgagor(s), having received as consideration the principal amount shown above from the Mortgagee, receipt of which is acknowledged, mortgages and warrants to the Mortgagee, its successors and assigns, forever, the land and property located and described as noted above, together with all interest in the property, a right, privilege, or improvement belonging to and passable with the property, easements and rights of way of the property, and all buildings and fixtures, all referred to as the "Property." Mortgagor(s) covenant that Mortgagor(s) is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagor(s) warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

ADDITIONAL PROVISIONS

SIGNATURE(S)

By signing this Mortgage, each Mortgagor acknowledges that all provisions have been read and understood, including those on page two. Signed and sealed by Mortgagor(s):

X <i>Lewis B. Bagley</i> (Seal)	2-20-97	X	(Seal)	Date
LEWIS B. BAGLEY				
X <i>Deborah J. Bagley</i> (Seal)	2-20-97	X	(Seal)	Date
DEBORAH J. BAGLEY				

WITNESSED BY
X X

NOTARIZATION
STATE OF INDIANA
COUNTY OF LAKE
SS:

The foregoing instrument was acknowledged before me this 20th day of February, 1997
by LEWIS B. BAGLEY
& DEBORAH J. BAGLEY

Signature X *Susan M. Downing* For the County of: LAKE
For the State of: INDIANA

Notary Public's Name SUSAN M. DOWNING	My Commission expires: 4-10-99
When Recorded Return To: FIRST BANK RICHMOND, S.B. AN INDIANA CORPORATION P.O. Box 937 Richmond, IN 47375	Drafted By/Address JUDITH A. CUMMINS 20 NORTH 9TH STREET RICHMOND, IN 47374

Handwritten initials/signature

Mortgagor hereby does covenant, promise and agree with Lender, its successors and assigns, as follows:

1. Indebtedness. This Mortgage secures the repayment of any and all debt of Mortgagor to Lender however created, whether presently owed, now created or incurred in the form of future advances. Debt may be evidenced by a note, loan agreement, or any other form of evidence of debt. Debt may also be the result of the guarantee of Mortgagor given to support debt owed to Lender by another person or entity. Any debt secured by this Mortgage which is extended or renewed remains secured. All debt secured by this Mortgage is referred to as "Indebtedness" in this Mortgage. Indebtedness further includes any interest on debt as called for in any evidence of debt document whether direct between Mortgagor and Lender or between Lender and another person or entity supported by the guaranty of Mortgagor. This Mortgage also secures the performance of the covenants, promises, and agreements of Mortgagor made in relation to this Mortgage, any evidence of debt document, or guaranty. It is the express intent of the parties to cross-collateralize all of Mortgagor's Indebtedness, however arising and whenever incurred except as otherwise provided for in this Mortgage.

2. Consumer Credit. Notwithstanding anything to the contrary in any provision of this Mortgage, Indebtedness which occurs because of a consumer credit transaction will not be secured hereby unless this Mortgage is specifically referenced as securing such Indebtedness, in which case such Indebtedness shall be a part of the Indebtedness secured hereby. A consumer credit transaction is one where the proceeds are represented by the borrower as being for a personal, family or household use.

3. Escrow Requirements. At the request of Lender and subject to applicable law, Mortgagor will be required to make monthly payments to Lender at the same time as installments of principal and/or interest are payable or as otherwise requested by Lender, an amount that Lender from time to time estimates as necessary to create and maintain a reserve which would be sufficient to pay all taxes, assessments, liens and charges or insurance premiums due on or charged against the Property, hereafter referred to as "Escrow." The amount of the Escrow may not exceed the maximum amount Lender may require under applicable Federal Real Estate Settlement Procedures Act of 1974 requirements, or other applicable law. The Escrow shall be held in any federally insured institution or in any Federal Home Loan Bank. Lender may not charge Mortgagor, other than a one-time charge to a tax reporting service if permitted by law, for holding or servicing Escrow unless Mortgagor is paid interest on the Escrow, if permitted by law. Lender is not required to pay Mortgagor any interest or earnings on the Escrow unless agreed to in writing or required by law. Lender shall provide Mortgagor an annual accounting of the Escrow as required by law. If the amount of the Escrow paid to Lender, together with the future monthly payments of Escrow shall be insufficient to pay taxes, assessments, liens and charges and insurance premiums before they are due, the Mortgagor shall, upon written notice, pay to Lender such additional amounts necessary so that Lender may make such payments. If the amount of the Escrow shall exceed the amount permitted to be held by law, Lender shall account to Mortgagor for the excess Escrow in accordance with applicable law. If the Escrow is not sufficient to pay Escrow items when due, Lender may so notify Mortgagor and, at Lender's sole option, require Mortgagor to make up the deficiency. Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Mortgagor any Escrow held by Lender.

Upon the occurrence of any event of default, Lender may apply any excess Escrow funds created hereunder to any Indebtedness then due.

4. Charges; Liens. As long as any part of the Indebtedness secured by this Mortgage remains unpaid, Mortgagor agrees to: (a) promptly remove from said Property all statutory lien claims; (b) protect the title and possession of said Property; (c) pay when due all taxes, assessments, liens and charges and insurance premiums on or against the Property. Mortgagor shall make such payment in the manner specified in Paragraph 3 above or if those provisions in Paragraph 3 are not applicable, directly to the person or entity owed the payment. Mortgagor will furnish to Lender the official receipts as evidence of such payments promptly upon Lender's request.

5. Hazard Insurance. Mortgagor shall keep the Property insured against loss and damage by fire and perils covered by extended coverage insurance, including public liability insurance and against such other risks and in such amounts, as may from time to time be required by Lender, with such insurer(s) as may from time to time be acceptable and approved by Lender, with the proceeds thereof payable to Lender under standard mortgagee endorsement thereto, and such policy(ies) shall contain an agreement by such insurer(s) that the policy(ies) shall not be cancelled or materially changed without at least thirty (30) days' prior written notice to Lender. If the Property is located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and flood hazard insurance is available for such area under the National Flood Insurance Act of 1968, as amended, the Mortgagor shall keep the Property covered by flood insurance up to the maximum limit of coverage available under the Act, but not in excess of the amount of the Indebtedness. The policies for all such insurance and renewals thereof, together with receipts evidencing payments of the premiums thereon, shall be delivered promptly to Lender. Lender is authorized to adjust and compromise such loss without the consent of Mortgagor, to collect, receive and receipt for such insurance proceeds in the name of Lender and Mortgagor and to endorse Mortgagor's name upon any check for payment thereof. Any sum paid under any such policy may be applied by Lender, at its option, to reduce the Indebtedness, to repair or replace the improvements covered by said policy, or to fulfill any of the covenants contained herein, as Lender may determine. In case of any sale under foreclosure hereof, all such insurance shall thereafter and until the period of redemption expires, be made payable to the holder of the Sheriff's Deed; and in such event Lender is hereby authorized to collect the unearned premium on any such policy it may cause to be cancelled and apply such premiums towards the payment of premium on any such new insurance so payable to the holder of such Sheriff's Deed. Mortgagor hereby irrevocably appoints Lender its attorney-in-fact, in Mortgagor's name, to assign and transfer all such policies and proceeds to such foreclosure sale purchaser.

6. Preservation and Maintenance of Property. Mortgagor shall not damage, destroy or substantially change the Property, allow the Property to deteriorate or commit waste and shall promptly comply with all present and future statutes, ordinances, regulations, rules and requirements of any governmental agency which may govern the Property.

7. Protection of Lender's Security. If the Mortgagor shall neglect or refuse to keep the Property in good repair and condition, to promptly pay when due all taxes, assessments, liens and charges on or against the Property or to remove any statutory lien on said Property, or to keep the Property insured as herein promised and deliver the policy or policies of insurance or the renewals thereof to Lender, then Lender may, at its option, make repairs, pay such taxes, assessments, liens and charges on or against the Property with all accrued interest, penalties, fees, and expenses thereon, and any such protective advances paid by Lender hereunder shall become part of the Indebtedness of Mortgagor secured by this Mortgage. Unless agreed to otherwise by Lender, such amounts shall bear interest from actual date of disbursement at the highest rate allowed by law and shall be immediately payable to Lender upon written request.

8. Inspection. Lender shall have the right at any time to enter upon the Property for purposes of inspecting Property and to ensure that the covenants, promises and agreements herein agreed to by the Mortgagor are being complied with.

9. Condemnation. In the event damages are paid or awarded for the taking of or injury to all or any part of the Property, whether by condemnation, eminent domain or otherwise, any and all such payments or awards shall be paid to the Lender and applied, at the option of the Lender, towards the Indebtedness owed under the Mortgage whether or not then due and any excess that remains shall be remitted to the party or parties entitled thereto.

10. Notices. All notices required under this Mortgage shall be in writing and shall be deemed to have been properly given or sent if either delivered personally or sent by mail, postage prepaid, to Mortgagor at the Property Address indicated herein or at a different address if Mortgagor gives Lender a notice of a different address, unless applicable law requires a different method.

Notice(s) that must be given to the Lender will be given by mailing it by first class mail to the Lender at the address stated in this Mortgage or at a different address if Mortgagor has been given notice of that different address.

11. Successors and Assigns Bound. It is agreed that all the terms, conditions, covenants and agreements contained herein shall be binding upon and inure to each of the parties hereto, their respective successors, assigns and legal representatives.

12. Transfer of Property; Assumption. If all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all Indebtedness secured by this Mortgage.

If Lender exercises the option to require immediate payment in full, Lender shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 10 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 of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on the Mortgagor.

13. Maximum Loan Charges. If a law, which applies to the Indebtedness secured by this Mortgage and which sets maximum loan charges is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Indebtedness exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from Mortgagor which exceed permitted limits will be refunded to Mortgagor if required by law. The Lender has the option of making this refund by reducing the Indebtedness owed or by making a direct payment to Mortgagor. If a refund reduces the Indebtedness, the reduction will be treated as a partial prepayment.

14. Default. Each of the following events shall constitute a default under this Mortgage, unless otherwise elected by Lender, in its sole discretion (a) any failure to pay any interest or principal upon the Indebtedness when due; (b) the failure to keep or perform any of the covenants, promises or agreements of this Mortgage or any other agreement, oral or written, out of which the Indebtedness arises or which governs any of the terms of the Indebtedness; (c) the insolvency of the Mortgagor under any legal definition; (d) the filing by or against the Mortgagor of any insolvency, bankruptcy or receivership proceeding; (e) any assignment by the Mortgagor for the benefit of the Mortgagor's creditors; (f) the death of the Mortgagor; (g) any sale or transfer by Mortgagor of any interest in the Property, whether by deed, land contract, contract of sale, or the like; (h) the filing of any judgment or tax lien against Mortgagor or any attachment or garnishment issued against any of Mortgagor's properties or rights; (i) the Lender deems itself insecure for any reason whatsoever, time being of the very essence.

Upon the occurrence of any event of default, the Lender may, without notice unless required by law, and at its option, declare the entire Indebtedness secured hereby to be immediately due and payable.

15. Lender's Remedies. In the event of default, the Lender may, without notice unless required by law, and at its option, declare the entire Indebtedness due and payable, as it may elect, regardless of the date or dates of maturity thereof and, if permitted by state law, is authorized and empowered to sell or to cause the Property to be sold at public auction, and to execute and deliver to the purchaser or purchasers at such sale any deeds of conveyance good and sufficient at law, pursuant to the statute and in such case made and provided, and out of the proceeds of the sale to retain the sums equal to the Indebtedness then due hereunder and all costs and charges of the sale, including attorney fees, rendering any surplus monies to the party or parties entitled to the excess. Any such sale or a sale made pursuant to a judgment or a decree for the foreclosure hereof may, at the option of the Lender, be made en masse. The commencement of proceedings to foreclose this Mortgage in any manner authorized by law shall be deemed as exercise of the above option. In the event of default or the commission of waste, the Lender shall forthwith be entitled to the appointment of a receiver of the Property and of the earnings, income, issue, and profits thereof, with such powers as the court making such appointments shall confer. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. IN THE EVENT OF THE SALE OF THE PROPERTY UNDER THE PROCEDURE FOR FORECLOSURE OF A MORTGAGE BY ADVERTISEMENT, AS PROVIDED BY APPLICABLE LAW, THE MORTGAGOR HEREBY WAIVES ANY RIGHT TO ANY NOTICE OTHER THAN THAT PROVIDED FOR SPECIFICALLY BY STATUTE, OR TO ANY JUDICIAL HEARING PRIOR TO SUCH SALE OR OTHER EXERCISE OF RIGHTS. If permitted by law, Mortgagor waives any otherwise required notice of: presentment; demand; acceleration; and intent to accelerate.

16. Cross Default. The Mortgagor expressly acknowledges that it is the intent of Mortgagor and Lender that a default in any of the provisions of this Mortgage shall constitute a default in any other agreement which may now exist or hereafter arise between them, and that, likewise, a breach of any such other agreement shall constitute a breach and default of this Mortgage.

17. Forbearance Not a Waiver. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

18. Waiver of Homestead and Exemption Law. The Mortgagor hereby waives and releases all rights under any homestead and exemption law, and relinquishes all right of curtesy and dower, that might otherwise affect the real property being mortgaged hereunder.

19. Governing Law. This Mortgage is governed by the laws of the state in which Lender has its main office except to the extent that federal law is controlling. If any provision of this Mortgage shall be prohibited by law, such prohibitions shall apply only to that provision and all of the other provisions of the Mortgage shall remain in full force and effect.

By initialing, I acknowledge this is page 2 of 2 of the Real Estate Mortgage.

AB

Initials

DB

Initials

Initials

Initials