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COURT REPORTERS AND SHREVEPORT

97083722

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

97 DEC -8 AM 10: 29

MORRIS W. CARTER  
RECORDED INDIANA

Z4-662 IN (7/95)  
DIST 4665

C495088LD

**MORTGAGE**

THIS MORTGAGE, made this 3rd day of December, 1997, by and between  
SUSAN M KOZLOWSKI, a single woman  
TERRY A WHARFF, a single man

(hereinafter referred to as the Mortgagor), of 13247 ARIZONA ST CROWN POINT  
Indiana 46307-0000, and FARM CREDIT SERVICES OF MID-AMERICA, ACA, a  
corporation, existing and operating under an Act of Congress known as the Farm Credit Act of 1971, as amended, of  
P.O. Box 34390, Louisville, Kentucky 40232-4390, (hereinafter referred to as Mortgagee).

This Mortgage is given to secure the repayment of a note of even date herewith executed and delivered to the  
Mortgagee, which includes:

- Principal in the sum of:  
Sixty-One Thousand Two Hundred Seventy-Five And 00/100 Dollars;
- Interest, which may be adjustable or fixed and which may be converted from one to the other from time to  
time at the option of the Mortgagor with the consent of the Mortgagee;
- All other sums, including, but not limited to, any prepayment fees payable in accordance with said Note; and
- A repayment plan with the last installment being due on December 1, 2007;

Without any relief whatever from valuation or appraisal laws, and the Mortgagor further promises and agrees  
to pay reasonable attorney's fees.

WITNESSETH: That the Mortgagor, in consideration of ONE DOLLAR and other valuable consideration, the  
receipt and sufficiency of which being hereby acknowledged, does by these presents MORTGAGE and WARRANT unto  
the Mortgagee, the following described real estate, together with its rents, issues and profits, and together with all  
buildings and improvements thereon or hereafter erected thereon and all appurtenances belonging thereto, situated in .  
LAKE County, State of Indiana to wit:

See Exhibit A

17.00  
bn  
cf

To Have And To Hold to the proper use of the Mortgagee forever. And the Mortgagor covenants with the Mortgagee, that at and until the execution and delivery of this mortgage, he is well seized of the above-described premises, has a good and indefeasible estate in fee simple, and has good right to encumber them in manner and form as above written; that they are free and clear of all encumbrances, unrecorded conveyances and undisclosed interests whatsoever; and that he will warrant and defend said property, with the appurtenances thereunto belonging, to the Mortgagee, against all lawful claims and demands whatsoever. By execution of this Mortgage, Mortgagor hereby acknowledges receipt of all of the proceeds of the loan evidenced by the aforesaid promissory note or notes.

The mortgagor covenants and agrees (1) to pay, when due, all taxes, liens, judgments or assessments lawfully encumbering the property; (2) that the proceeds of the Note secured hereby are used solely for the purposes specified in the loan application; (3) to keep the property insured against loss or damage by fire, wind, flood and extended coverage perils, in companies and amounts satisfactory to Mortgagee, and provide evidence of such insurance to the satisfaction of the Mortgagee and to use any insurance proceeds in accordance with the policies and procedures of the Mortgagee or to apply such proceeds on the indebtedness hereby secured as the Mortgagee may elect; (4) to maintain the improvements in good repair, to refrain from the commission of waste, to cultivate the property in a good and husbandman like manner and not to cut, remove or permit the cutting or removal of timber therefrom except for domestic use; (5) that neither Mortgagor nor, to the best of Mortgagor's knowledge, any prior owner has created conditions which may give rise to environmental liability; that no enforcement actions are pending or threatened and that any costs the Mortgagee incurs as a result of environmental liabilities shall become a part of the debt secured hereby; to remedy any contamination that may occur or be discovered in the future, to comply with all state and federal environmental laws, to allow Mortgagee access to the property for testing and monitoring and to forward any notices received from state and federal environmental agencies to Mortgagee; to permit Mortgagee and its agents to enter upon the property to make such inspections and tests as Mortgagee may deem appropriate to determine compliance of the property with this covenant (any inspections or tests made by Mortgagee shall be for Mortgagee's purposes only and shall not be construed to create any responsibility or liability on the part of the Mortgagee to Mortgagor or to any other person); that to the best of Mortgagor's knowledge, there are no underground tanks on the property, except as already disclosed, and that any such underground tanks currently or previously located on the property do not now, and never have leaked and there is no contaminated soil located on the property in connection with any of said underground tanks; and to indemnify and hold Mortgagee harmless against any and all claims and losses resulting from a breach of this covenant of the Mortgage; this covenant and indemnity shall survive foreclosure of this Mortgage or acceptance by Mortgagee of a deed in lieu of foreclosure; (6) not to assign, lease, sell, convey or impair any crop allotment and/or any acreage allotment now established or hereafter established on the property; (7) to pay all court costs, expenses of title examination, abstract fees, and when lawful, attorney's costs and fees incurred by the Mortgagee involving this Mortgage, the loan it secures and the enforcement thereof, and any such costs, expenses or fees paid or payable by the Mortgagee shall become a part of the debt secured hereby; (8) that if the Mortgagor fails to pay when due any tax, lien, judgment, assessment, court costs, attorney's fees or title evidence expense, or to maintain insurance as hereinbefore provided, the Mortgagee may do so, and all amounts so paid shall bear interest from date of payment at the rate set out for defaulted payments in the Note secured hereby; (9) that there are hereby specifically assigned to the Mortgagee all rents, royalties, revenues, damages and payments of every kind at any time accruing under or becoming payable on account of the sale, lease or transfer of any interest in any portion of the property, any oil, gas, mining and mineral leases, rights or privileges of any kind now existing or that may hereafter come in to existence covering the property and any condemnation proceedings or other seizure of all or part thereof under the right of eminent domain or otherwise, and all monies received by Mortgagee by reason of this assignment may be applied, at the option of the Mortgagee, upon any unpaid amounts of principal and/or interest provided that nothing herein shall be construed as a waiver of the priority of the lien of this Mortgage over any such lease, rights or privileges granted subsequent to the date of this Mortgage; (10) that the Mortgagee may renew or substitute the evidence of indebtedness and may extend and defer the maturity of and reamortize said indebtedness, release any person from liability to repay said indebtedness and any such extensions, deferments, renewals and reamortizations will be secured hereby; (11) that, if any portion of the debt secured hereby was incurred for the purpose of financing the construction of improvements upon the property, such construction shall not be unreasonably delayed or stopped; (12) that if the Mortgagor shall sell, transfer or lease the property, or if the ownership of any portion thereof shall be changed either by voluntary or involuntary transfer or by operation of law, or if the Mortgagor defaults in the payment of said indebtedness, or with respect to any warranty, covenant, or agreements herein contained, or if a receiver or trustee for any part of the property is appointed, or if any proceeding under the bankruptcy or insolvency laws is commenced by or against Mortgagor, or if Mortgagor becomes insolvent, or if, in defending any such action commenced to foreclose or enforce a lien on any portion of the property, the Mortgagee elects to cross-claim and foreclose the lien of this Mortgage, then, at the Mortgagee's option, the entire indebtedness secured hereby shall forthwith become due and payable and bear interest at the rate set out for defaulted payments in the note secured hereby, and the Mortgagee shall have the right to enter upon and take possession of the property and to foreclose the lien of this Mortgage; (13) that in any foreclosure action or other proper proceeding the court shall, at the request of the Mortgagee, appoint a receiver for the property; (14) that if the indebtedness is subject to a guarantee from Fam Service Agency, the Mortgagors shall be in default under this mortgage, the above note(s) and other loan documents should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 CFR Part 1940, Subpart G, Exhibit M; prior to loss of the exemption from the highly erodible land conservation restrictions found in 7 CFR Part 12, Mortgagors must demonstrate that Mortgagors are actively applying an approved conservation plan on that land which has been determined to be highly erodible prior to 1990 or two years after the Soil Conservation Service has completed a soil survey for that land, whichever is later; and Mortgagors must demonstrate that any production of an agricultural commodity on highly erodible land will be done in compliance with an approved Soil Conservation Service conservation system; (15) that the omission of the Mortgagee to exercise its option upon any default as aforesaid, or to exercise any other option or right hereunder, shall not preclude it from the exercise thereof at any subsequent time or for any subsequent default; (16) that upon the payment of all sums secured by this mortgage, Mortgagee shall release this mortgage without any charge paid to the Mortgagee. Unless prohibited by applicable law, Mortgagor shall pay any actual recordation costs prescribed by law and paid to public officials for the release of this Mortgage; (17) that the covenants, agreements and provisions herein contained shall be binding upon and inure to the benefit of the heirs, devisees, personal representatives, grantees, successors, and assigns of the respective parties;

Loan No. \_\_\_\_\_

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**MORTGAGE**

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Received for record on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M. and  
recorded in Volume \_\_\_\_\_ of Mortgages, on page \_\_\_\_\_.

\_\_\_\_\_, Recorder

\_\_\_\_\_, County, Indiana

EXHIBIT "A"

DESCRIPTION FOR: SUSAN M. KOZLOWSKI

**PARCEL 1:**

Part of the Southeast Quarter of Section 25, Township 34 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of said Section 25; thence North  $00^{\circ} 20' 14''$  West along the East line of said Section 25 a distance of 1060.26 feet to the Northerly right-of-way line of the Chicago and Great Eastern Railroad, said point being the true point of beginning; thence continue North  $00^{\circ} 20' 14''$  West along the East line of said Section 25 a distance of 1579.52 feet more or less to the North line of the Southeast Quarter of said Section 25; thence North  $89^{\circ} 49' 59''$  West along said North line a distance of 2230.10 feet more or less to the Northerly right-of-way line of the Chicago and Great Eastern Railroad; thence South  $52^{\circ} 57' 10''$  East along said right-of-way line a distance of 498.36 feet to the point of curve of a curve, concave to the Northeast, said curve having a radius of 5,843.885 feet and a delta of  $2^{\circ} 14' 24''$ , thence Southeasterly along said curve an arc length of 228.48 feet to the point of tangency; thence continue South  $55^{\circ} 11' 34''$  East along said right-of-way line a distance of 2017.61 feet more or less to the point of beginning, containing 41.015 acres more or less.

**PARCEL 2:**

Part of the Southeast Quarter of Section 25, Township 34 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana, more particularly described as follows:

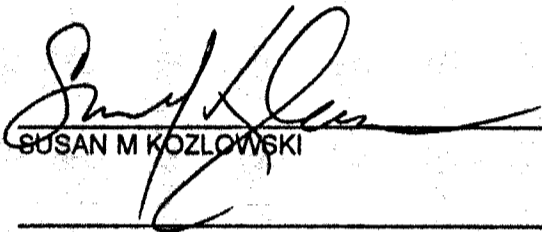
Commencing at the Southeast corner of said Section 25; thence North  $00^{\circ} 20' 14''$  West along the East line of said Section 25 a distance of 937.97 feet to the Southerly right-of-way line of the Chicago and Great Eastern Railroad, said point being the true Point of Beginning; thence North  $55^{\circ} 11' 34''$  West along said Southerly right-of-way, a distance of 2088.01 feet to the point of curve of a curve concave to the Northeast, said curve having a radius of 5943.885 feet and a delta of  $2^{\circ} 14' 24''$ , thence Northwesterly along said curve an arc length of 232.39 feet to the point of tangency; thence continue North  $52^{\circ} 57' 10''$  West along said right-of-way a distance of 631.64 feet more or less to the North line of the Southeast Quarter of said Section 25; thence South  $89^{\circ} 49' 59''$  East along said North line a distance of 166.63 feet more or less to the Northerly right-of-way line of the Chicago and Great Eastern Railroad; thence South  $52^{\circ} 57' 10''$  East along said right-of-way line a distance of 498.36 feet to the point of curve of a curve concave to the Northeast, said curve having a radius of 5,843.885 feet and a delta of  $2^{\circ} 14' 24''$ , thence Southeasterly along said curve an arc length of 228.48 feet to the point of tangency; thence continue South  $55^{\circ} 11' 34''$  East along said right-of-way line a distance of 2017.61 feet more or less to the East line of the Southeast Quarter of said Section 25; thence South  $00^{\circ} 20' 14''$  East along said East line a distance of 122.29 feet to the place of beginning, containing 6.539 acres more or less.

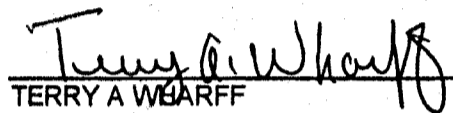
(18) that wherever in this Mortgage either the Mortgagor or the Mortgagee is named or referred to, such naming or reference includes all of the class and assigns, heirs, personal representatives, grantees, or successors of either, as the case may be; and that the pronoun as used herein in the third person singular, includes the person, number and gender appropriate to the first designation of the parties; (19) all references to the interest rate as referred to hereinabove shall be subject to the interest rate provisions of the Note or Notes secured hereby and any supplemental agreements.

In the event that any provision or clause of this Mortgage conflicts with applicable law or is declared unenforceable by a court of competent jurisdiction or otherwise, then any such provision or clause shall be severable and shall not affect the remaining provisions of this Mortgage or the enforceability thereof.

THE CONDITION OF THIS MORTGAGE is such that if all payments provided for in the Note are made and each and all the covenants, conditions and agreements, either in the Note or in this Mortgage, are complied with, then this Mortgage shall be null and void, otherwise the same shall remain in full force and effect.

IN WITNESS WHEREOF, the Mortgagor has hereunto set his hand, the day and year first written above.

  
\_\_\_\_\_  
SUSAN M KOZLOWSKI

  
\_\_\_\_\_  
TERRY A WHARFF

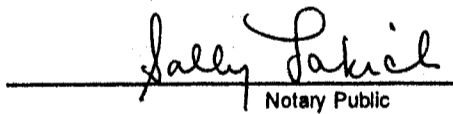
STATE OF INDIANA )  
COUNTY OF LAKE ) SS:

Before me, SALLY LAKICH a Notary Public in and for said State and  
(printed or typewritten name of Notary)  
County, this 3RD day of DECEMBER, 1997, PERSONALLY APPEARED  
SUSAN M KOZLOWSKI AND TERRY A. WHARFF  
(name(s) of person(s) executing the instrument)

acknowledged the execution of the foregoing instrument.

My commission expires: OCTOBER 6, 2001

LAKE  
\_\_\_\_\_  
County of Residence

  
\_\_\_\_\_  
Notary Public

Typed name of Notary Public SALLY LAKICH

The form of this mortgage was prepared by Farm Credit Services of Mid-America, ACA, a corporation, by Nancy Sparrow, its Attorney and completed by Nancy J. Daube, employee.  
(name of employee completing form)