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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

98 APR -6 PM 12:00

MORRIS W. QUINN

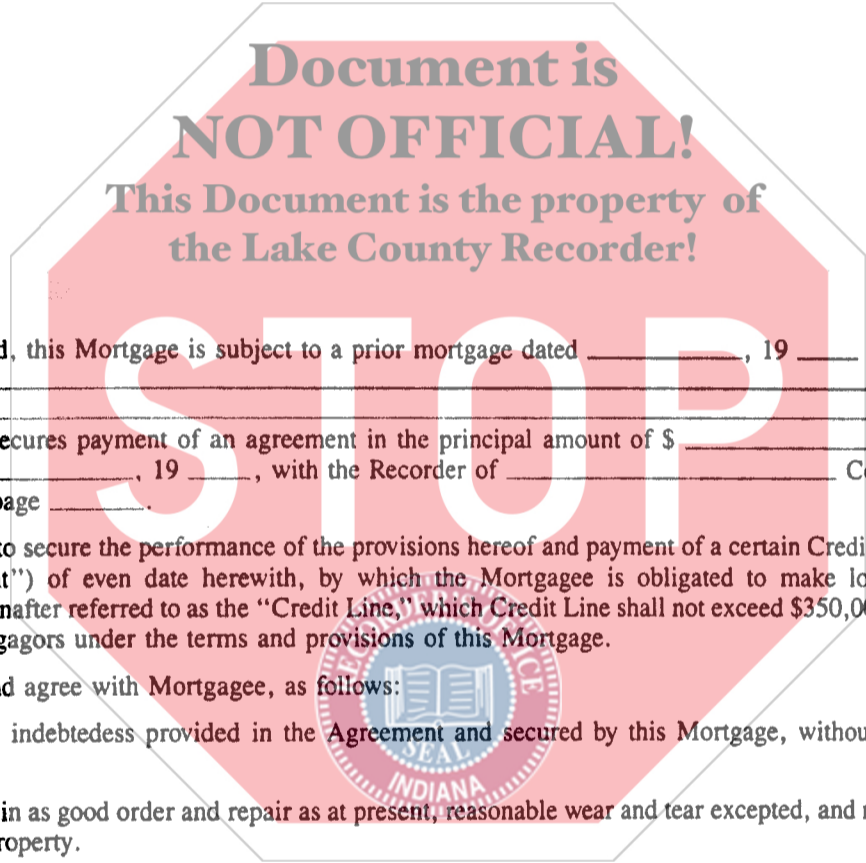
**REAL ESTATE MORTGAGE
(Revolving)**

THIS INDENTURE, made this 1ST day of APRIL, 19 98, WITNESSETH, That Ernest S. Ray III and Lisa M. Ray, husband and wife
Mortgagors, of Lake County, State of Indiana, MORTGAGE AND WARRANT TO

BENEFICIAL MORTGAGE CO. OF INDIANA,

a Delaware corporation duly authorized to do business in Indiana having an office and place of business at 2900 N. Calumet, Valparaiso, In. 46383 County of Porter
Indiana, the following described real property ("Property") situated in the County of Lake, Indiana:

Lot 11, Duck Creek Woods, in the City of Hobart, as shown in Plat Book 49,
page 39, in Lake County, Indiana.



If this box is checked, this Mortgage is subject to a prior mortgage dated _____, 19 _____ executed by _____ as Mortgagor(s) to _____ as Mortgagee, which prior mortgage secures payment of an agreement in the principal amount of \$ _____. That prior mortgage was recorded on _____, 19 _____, with the Recorder of _____ County, Indiana in Mortgage Record No. _____, page _____.

This Mortgage is given to secure the performance of the provisions hereof and payment of a certain Credit Line Account ("Account") Agreement ("Agreement") of even date herewith, by which the Mortgagee is obligated to make loans and advances up to \$ \$50,000.00, hereinafter referred to as the "Credit Line," which Credit Line shall not exceed \$350,000.00 and to secure all other obligations of the Mortgagors under the terms and provisions of this Mortgage.

Mortgagors covenant and agree with Mortgagee, as follows:

1. To pay when due all indebtedness provided in the Agreement and secured by this Mortgage, without relief from valuation and appraisal laws.
2. To keep the Property in as good order and repair as at present, reasonable wear and tear excepted, and neither to commit nor suffer any waste on such Property.
3. To pay all taxes and assessments levied against the Property when due and before penalties accrue.
4. To pay when due any and all prior or senior encumbrances.
5. To keep the structures located on the Property insured against fire and other physical hazards, name Mortgagee as a loss payee and deliver to Mortgagee a loss payable endorsement. If insurance covering the Property is cancelled or expires while the Account is outstanding and Mortgagors do not reinstate the coverage, Mortgagee may obtain, at its option, hazard insurance coverage protecting its interest in the Property. Mortgagors authorize Mortgagee, at its option, to obtain coverage on the Property in an amount not greater than the outstanding balance of principal and interest on the Account or, if known to be less, the replacement value of the Property, in the event that Mortgagors fail to obtain the required hazard insurance or fail to provide adequate proof of its existence. Mortgagors authorize Mortgagee to charge Mortgagors for the costs of this insurance and add the insurance charges to the Principal Balance of the Account which will accrue interest at the Daily Periodic Rate in effect on the Account. The addition of these insurance charges to the Principal Balance on Mortgagor's Account will be treated just like a cash advance and will result in the recalculation of the Scheduled Monthly Payment on Mortgagor's Account as explained in the Agreement. The cost of Creditor Placed Hazard Insurance might be higher than the cost of standard insurance protecting the Property. The Creditor Placed Insurance will not insure the contents of the Property or provide liability coverage. The insurance might not be the lowest cost coverage of its type available and Mortgagors agree that Mortgagee has no obligation to obtain the lowest cost coverage. Mortgagee or an affiliated company might receive some benefit (i.e., commission, service fee, expense reimbursement, etc.) from the placement of this

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insurance and Mortgagors will be charged for the full cost of the premium without reduction for any such benefit. If at any time after Mortgagee has obtained this insurance, Mortgagors provide adequate proof that they have subsequently purchased the required coverage, Mortgagee will cancel the coverage Mortgagee obtained and credit any unearned premiums to the Account.

On failure of Mortgagors in any of the foregoing, Mortgagee, at its option, may pay any and all taxes levied or assessed against the Property, and all or part of prior or senior encumbrances on the Property, may insure the Property and may undertake the repair of the Property to such extent as it deems necessary. All sums advanced by Mortgagee for any such purposes shall become a part of the Principal Balance secured by this Mortgage and shall bear interest at the Daily Periodic Rate being charged under the Agreement.

Upon default of Mortgagors in any payment or performance provided for in this Mortgage or in the Agreement, or if Mortgagors or any of them be adjudged bankrupt, or a trustee or receiver be appointed for Mortgagors or any of them or for any part of the Property, then the entire secured indebtedness shall become immediately due and payable at the sole option of the Mortgagee, without notice, and this Mortgage may be foreclosed accordingly. Any cost incurred by Mortgagee or its agents in obtaining an abstract of title, any other appropriate title evidence, or any reasonable attorney's fees or expenses incurred by the Mortgagee in respect of any and all legal or equitable proceedings which relate to this Mortgage, may be added to the Unpaid Balance of the loan.

If Mortgagors voluntarily shall sell or convey the Property, in whole or in part, or any interest in that Property or by some act or means divest themselves of title to the Property without obtaining the written consent of Mortgagee, then Mortgagee, at its option may declare the entire balance of the loan plus interest on the balance immediately due and payable. This option shall not apply if (1) the sale of the Property is permitted because the purchaser's creditworthiness is satisfactory to Mortgagee and (2) that purchaser, prior to the sale, has executed a written assumption agreement containing terms presented by Mortgagee including, if required, an increase in the rate of interest payable under the Agreement.

No delay or extension of time granted or suffered by Mortgagee in the exercise of its rights under this Mortgage shall constitute a waiver of any of such rights for the same or any subsequent default. Mortgagee may enforce any one or more of its rights or remedies under this Mortgage successively or concurrently.

Mortgagors herein expressly covenant and agree to pay and keep current the monthly instalments on any prior mortgage and to prevent any default thereunder. Mortgagors further agree that should any default be made in the payment of any instalment of principal or any interest on the prior mortgage, or should any suit be commenced or other action taken to foreclose the prior mortgage, then the amount secured by this Mortgage shall become and be due and payable in full at any time thereafter, at the option of Mortgagee and in accordance with the Agreement. Mortgagee, at its option, may pay the scheduled monthly instalments on the prior mortgage and, to the extent of the amount so paid, become subrogated to the rights of the mortgagee identified on the prior mortgage. All payments made on the prior mortgage by Mortgagee shall bear interest at the Daily Periodic Rate being charged under the Agreement until paid in full.

Upon commencement of a suit in foreclosure of this Mortgage or a suit to which Mortgagee may be made a party by reason of this Mortgage, or at any time during the pendency of any such suit, Mortgagee, upon application to the appropriate court, at once, and without notice to Mortgagor or any person claiming under Mortgagor, and with consideration of the adequacy of the security or the solvency of Mortgagor, shall appoint a receiver for the Property. The receiver shall (1) take possession of the Property; (2) make repairs and keep the Property in proper condition and repair; and (3) pay (a) all taxes and assessments accruing during the receivership, (b) all unpaid taxes and assessments and tax sales remaining unredeemed, at or prior to the foreclosure sale, (c) all insurance premiums necessary to keep the Property insured in accordance with the provisions of this Mortgage, and (d) the expense of the receivership, and apply the balance, if any, against the indebtedness secured by this Mortgage.

Mortgagee, at its sole discretion, may extend the time of the payment of any secured indebtedness, without the consent of any junior encumbrancer. No such extension of renewal shall affect the priority of this Mortgage or impair the security or operate to release, discharge or affect the principal liability of Mortgagors or any of them to Mortgagee whatsoever.

Mortgagors warrant that


1. The Property has not been used in the past and is not presently used for hazardous and/or toxic waste,
2. The Property complies with all federal, state and local environmental laws regarding hazardous and/or toxic waste,
3. Asbestos has not been used as a building material on any building erected on the Property in the past,
4. The Property is not presently used for asbestos storage and
5. The Mortgagor complies with all federal, state and local laws, as well as regulations, regarding the use and storage of asbestos.

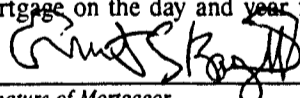
Mortgagors covenant and agree to comply with all federal, state, and local environmental laws in the maintenance and use of the Property.

Mortgagors warrant that neither the Property nor the loan proceeds were or will be used in illegal drug activity, and the Property is not subject to seizure by any governmental authority because of any illegal drug activity.

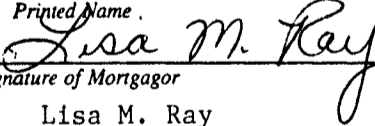
If there be only one Mortgagor, all plural words herein referring to Mortgagors shall be read in the singular.

IN WITNESS WHEREOF Mortgagors have signed and sealed this Mortgage on the day and year first above written.

Witness 
Ronald A. Hefner


Signature of Mortgagor
Ernest S. Ray III
Printed Name

Witness 
Norma Podgorski


Signature of Mortgagor
Lisa M. Ray
Printed Name

Witness _____

Signature of Mortgagor

Printed Name

ACKNOWLEDGMENT

STATE OF INDIANA)
)
COUNTY OF Porter) ss.:

Before me, a Notary Public in and for said County and State, personally appeared _____
Ernest S. Ray III and Lisa M. Ray

who acknowledged the execution of the foregoing Mortgage.

Witness my hand and Notarial Seal this 1st day of April, 19 98.

Norma L. Podgorski
Notary Public
Norma L. Podgorski
Resident of Porter County, Indiana
Comm. Expires 09-15-99

This instrument was prepared by Norma Podgorski

Return to
BENEFICIAL MORTGAGE CO. OF INDIANA
2900 N. Calumet
Valparaiso, In. 46383

