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ORIGINAL

REAL ESTATE MORTGAGE

THIS MORTGAGEE is made this 6 day of JULY, 1998, between the Mortgagor, LAKE COUNTY TRUST NO. 4666 (herein "Borrower"), and the Mortgagee, DAVID I. KEHOE and SANDRA B. KEHOE, Husband and Wife, (herein "Lender"), whose address is 12803 Clark Road, Crown Point, Lake County, Indiana.

WHEREAS, Borrower is indebted to Lender in the total sum of EIGHTY-NINE THOUSAND AND 00/100 (\$89,000.00) which indebtedness is evidenced by Borrower's note of even date herewith (herein "Note"), providing for total payments of principal and interest, of TWENTY-TWO THOUSAND TWO HUNDRED FIFTY AND 00/100 (\$22,250.00) DOLLARS, upon the sale of each lot to be developed on said real estate.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained. Borrower does hereby mortgage to Lender the following described property located in the County of Lake, State of Indiana, described as follows:

Part of the Fractional West Half of the Northwest Quarter of Section 19, Township 34 North, Range 8 West of the Second Principal Meridian, in Center Township, Lake County, Indiana, more particularly described as follows: Commencing at a monument at the Northwest corner of said Section 19; thence South 00 degrees 01 minutes 15 seconds West, 929.09 feet along the West line of said Fractional West Half of the Northwest Quarter of Section 19 to the Southwest corner of the parcel described in Document No. 419573, recorded July 27, 1977 in the Office of the Recorder of Lake County, said point being the point of beginning; thence South 89 degrees 11 minutes 54 seconds East, 470.01 feet along the South line of said parcel to the West line of the parcel described in Document 97005104; recorded January 27, 1997 in said Recorder's Office; thence South 00 degrees 01 minutes 15 seconds West 924.47 feet along said West line to the North line of the South 20 acres of said Fractional West Half of the Northwest Quarter of Section 19, said line also being the North line of the parcel described in Document No. 416501, recorded July 11, 1977, in said Recorder's Office; thence North 89 degrees 14 minutes 34 seconds West, 470.01 feet along said North line to the West line of said Fractional West Half of the Northwest Quarter of Section 19; thence North 00 degrees 01 minutes 15 seconds East, 924.84 feet along said West line to the point of beginning, containing 9.98 acres, more or less.

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 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 indebtedness evidenced by the Note.

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 in payment of amounts payable to Lender by Borrower.

Chicago Title Insurance Company

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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, in the manner provided under Paragraph 3 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender 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 in the manner provided under Paragraph 3 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

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 have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. 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.

8. 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. If Lender required

mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under Paragraph 3 hereof.

Any amounts disbursed by Lender pursuant to this Paragraph 8 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 Paragraph 2 and 3 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 Notice 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. 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.

18. 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 18 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.

19. 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.

20. Release. Upon payment of each installment of ~~Twenty Two Thousand Five Hundred and 00/100 (\$22,500.00)~~ Dollars, as herein provided, Lender shall issue a partial release as to each lot sold, giving rise to such payment. All releases shall be held in escrow by Chicago Title Insurance Company, cost of escrow to be paid for by L.C. Trust 4666.

\$22,250.00
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21. Waiver of Valuation and Appraisalment. Borrower hereby waives all right of valuation and appraisalment.

22. Good Faith. The borrowers shall use all reasonable and good faith efforts to sell the property. In any event, whether the property sells or not, the borrowers shall pay off the note and mortgage within five (5) years from the date of this instrument. The entire unpaid principal shall be due and payable at the end of this five year term. Should both guarantors pass away prior to the five year term, the note shall be come due and payable in full by their estate with in one year from the last death.

Dated this 6th day of JULY, 1998.

LAKE COUNTY TRUST COMPANY, as
Trustee of Trust Number 4666

SEE SIGNATURE PAGE ATTACHED

BY: _____

This Mortgage is executed by LAKE COUNTY TRUST COMPANY, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said LAKE COUNTY TRUST COMPANY, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said principal note contained shall be construed as creating any liability on said LAKE COUNTY TRUST COMPANY personally to pay the said principal note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said LAKE COUNTY TRUST COMPANY personally is concerned, the legal holder or holders of said principal notes and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby mortgaged for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said principal notes provided or by action to enforce the personal liability of the guarantor, if any.

This Document is the property of

Nothing contained herein shall be construed as creating any liability on LAKE COUNTY TRUST COMPANY, personally under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or the Indiana Responsible Property Transfer Law (the Act) as amended from time to time or any other Federal, State or local law, rule or regulation. LAKE COUNTY TRUST COMPANY, personally is not a "Transferor or Transferee" under the Act and makes no representation concerning any possible environmental defects. In making any warranty herein the Trustee is relying solely on information furnished to it by the beneficiaries and not of its own knowledge and specifically exculpates itself from any liabilities, responsibilities or damages as a result of including any warranty in this instrument.

(Page 1 of 2 pages of Trustee's Signature Pages)



IN WITNESS WHEREOF, LAKE COUNTY TRUST COMPANY, not personally but as Trustee as aforesaid, has caused these presents to be signed by its Trust Officer and attested by its Assistant Secretary this 6th day of July, 1998.

LAKE COUNTY TRUST COMPANY, not personally but as Trustee under the provisions of a Trust Agreement dated May 1, 1995 and known as Trust No. 4666.

BY: *Elaine M. Worstell*
Elaine M. Worstell, Trust Officer

ATTEST:

BY: *Kathy Hathaway*
Kathy Hathaway, Assistant Secretary

STATE OF INDIANA)

)SS:

COUNTY OF LAKE)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Officers of LAKE COUNTY TRUST COMPANY, who acknowledge the execution of the foregoing instrument as the free and voluntary act of said Corporation and as their free and voluntary act, acting for such Corporation, as Trustee.

Witness my hand and seal this 6th day of July, 1998.

Laura T. Kleven
Laura T. Kleven-Notary Public

My Commission Expires: 5-8-2000 Resident: Lake County, Indiana

(Page 2 of 2 pages of Trustee's Signature Pages)

STATE OF INDIANA, LAKE COUNTY, SS:

Before me, the undersigned, a Notary Public in and for said County and State, this _____ day of _____, 1998, personally appeared _____, as _____ of LAKE COUNTY TRUST COMPANY, and acknowledged the execution of the foregoing mortgage. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires: _____

SEE
ATTACHED
PAGE

Notary Public-
Residing in Lake County

This instrument prepared by: Donald R. O'Dell, Attorney at Law
P.O. Box 128, Lowell, IN 46356

