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STATE OF INDIANA  
LAKE COUNTY  
FILED 2000 SEP 8 2000

**REAL ESTATE MORTGAGE**

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THIS INDENTURE WITNESSETH that JOHN S. TAYLOR AND CYNTHIA L. TAYLOR, Husband and Wife, (the "Mortgagor") of Lake County, State of Indiana,

MORTGAGE AND WARRANT TO WILLIAM W. MALLARD AND MARTHA F. MALLARD, TRUSTEES OF THE MALLARD LIVING TRUST U/T/A DATED SEPTEMBER 22, 1999, (the "Mortgagee") of Lake County, State of Indiana, the following described real estate in Lake County, Indiana:

Lot 56 in Boulevard Estates Second Addition to Highland, as per plat thereof, recorded in Plat Book 36, page 89, in the Office of the Recorder of Lake County, IN (Key # 27-346-35)

Commonly known as 3626 Manor Drive, Highland, IN

(hereinafter referred to as the "Mortgaged Premises") together with all rights, privileges, interests, easements, hereditaments, appurtenances, fixtures and improvements now or hereafter belonging appertaining, attached to, or used in connection with, the Mortgaged Premises, and all the rents, issues, income and profits thereof.

This mortgage is given to secure the performance of the provisions hereof and the payment of a certain promissory note ("Note") dated September , 2000 in the principal amount of ONE HUNDRED TWENTY-SEVEN THOUSAND AND NO/100 (\$127,000.00) DOLLARS with interest and payment as therein provided and with a final maturity date of August 30, 2005, by reason of balloon payment provisions.

Said principal and interest are payable as follows: (amortized over twenty (20) years) at the rate of \$1,082.12 monthly, which includes principal and interest on the unpaid balance at 8.25% per annum, but with said balloon payment at maturity. There will be no penalty for prepayment.

The Mortgagor (Jointly and severally) covenants and agrees with the Mortgagee that:

1. Payment of Indebtedness. The Mortgagor shall pay when due all indebtedness secured by this mortgage, on the dates and in the amounts, respectively, as provided in the Note or in this mortgage, without relief from valuation and appraisal laws and with attorneys' fees.

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E.P.

2. No Liens. The Mortgagor shall not permit any lien of mechanics or materialmen to attach to and remain on the Mortgaged Premises or any part thereof for more than 45 days after receiving notice thereof from the Mortgagee.

3. Repair of Mortgaged Premises; Insurance. The Mortgagor shall keep the Mortgaged Premises in good repair and shall not commit waste thereon. The Mortgagor shall procure and maintain in effect at all times adequate insurance in insurance companies acceptable to the Mortgagee against loss, damage to or destruction of the Mortgaged Premises because of fire, windstorm, or other such hazards in such amounts as the Mortgagee may reasonably require from time to time and all such insurance policies shall contain proper clauses making all proceeds of such policies payable to the Mortgagee and the Mortgagor as their respective interests may appear. All such policies of insurance shall be delivered to and retained by the Mortgagee until the indebtedness secured hereby is fully paid.

4. Taxes and Assessments. The Mortgagor shall pay all taxes or assessments levied or assessed against the Mortgaged Premises, or any part thereof, as and when the same become due and before penalties accrue.

5. Advancements to Protect Security. The Mortgagee may, at his option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Mortgage. All sums so advanced and paid by the Mortgagee shall become a part of the indebtedness secured hereby and shall bear interest from the date or dates of payment at the rate of twelve per cent (12%) per annum. Such sums may include, but are not limited to, insurance premiums, taxes, assessments and liens which may be or become prior and senior to this mortgage as a lien on the Mortgaged Premises, or any part thereof, and all costs, expenses and attorney's fees incurred by the Mortgagee in respect of any and all legal or equitable proceedings which relate to this mortgage or to the Mortgaged Premises.

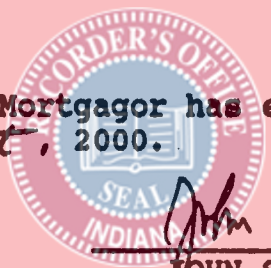
6. Default by Mortgagor; Remedies of Mortgagee. Upon default by the Mortgagor in any payment provided for herein or in the Note, or in the performance of any covenant or agreement of the Mortgagor hereunder, or if the Mortgagor shall abandon the Mortgaged Premises, or if a trustee or receiver shall be appointed for the Mortgagor or for any part of the Mortgaged premises, except if said trustee or receiver is appointed in any bankruptcy action, then and in any such event, the entire indebtedness secured hereby shall become immediately due and payable at the option of the Mortgagee, without notice, and this mortgage may be foreclosed accordingly. Upon such foreclosure the Mortgagee may continue the abstract of title to the Mortgaged Premises, or obtain other appropriate title evidence, and may add the cost thereof to the principal balance due.

7. Non-Waiver; Remedies Cumulative. No delay by the Mortgagee in the exercise of any of his rights hereunder shall preclude the exercise thereof so long as the Mortgagor is in default hereunder, and no failure of the Mortgagee to exercise any of his rights hereunder shall preclude the exercise thereof in the event of a subsequent default by the Mortgagor hereunder. The Mortgagee may enforce any one or more of his rights or remedies hereunder successively or concurrently.

8. Extensions; Reductions; Renewals; Continued Liability of Mortgagor. The Mortgagee at his option, may extend the time for the payment of the indebtedness, or reduce the payments thereon, or accept a renewal note or notes therefor, without consent of any junior lien-holder, and without the consent of the Mortgagor if the Mortgagor has then parted with title to the Mortgaged Premises. No such extension, reduction or renewal shall affect the priority of this mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of the Mortgagor to the Mortgagee.

9. General Agreement of Parties. All rights and obligations hereunder shall extend to and be binding upon the several heirs, representatives, successors and assigns of the parties to this mortgage. When applicable, use of the singular form of any word also shall mean or apply to the plural and masculine form shall mean and apply to the feminine or the neuter. The titles of the several paragraphs of this mortgage are for convenience only and do not define, limit or construe the contents of such paragraphs.

IN WITNESS WHEREOF, the Mortgagor has executed this mortgage, this 31<sup>st</sup> day of August, 2000.



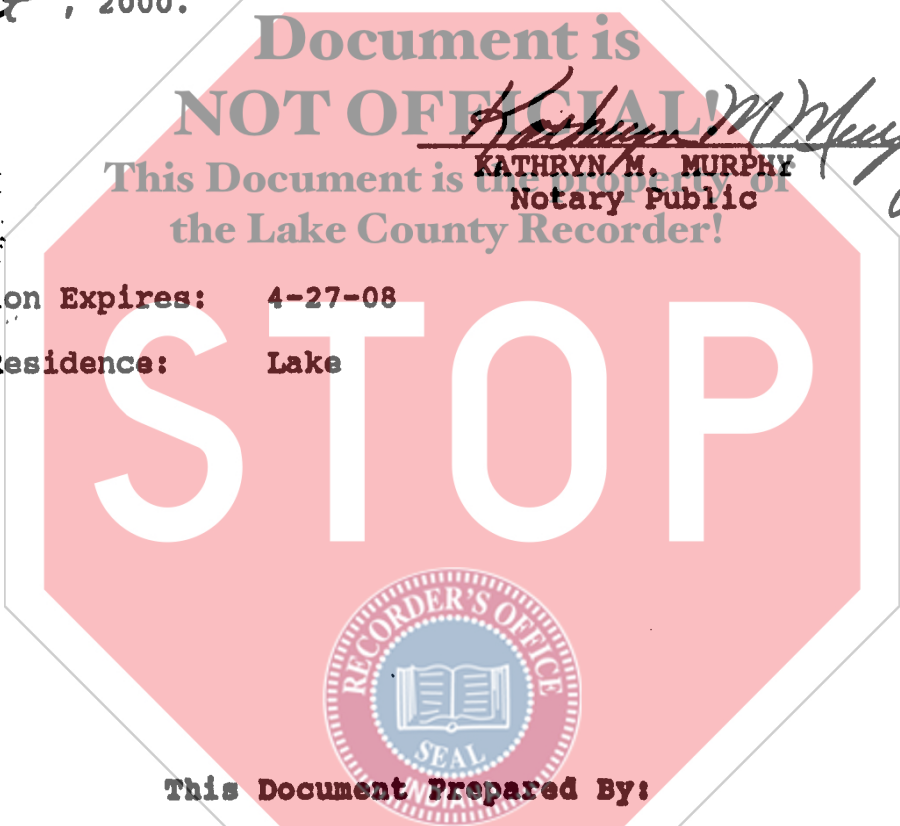
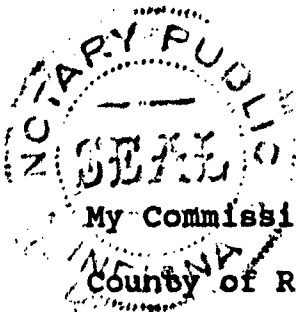
*John S. Taylor*  
\_\_\_\_\_  
JOHN S. TAYLOR

*Cynthia L. Taylor*  
\_\_\_\_\_  
CYNTHIA L. TAYLOR

STATE OF INDIANA )  
                          ) SS:  
COUNTY OF LAKE )

Before me, a Notary Public in and for said County and State,  
personall appeared the within named JOHN S. TAYLOR AND CYNTHIA L.  
TAYLOR who acknowledged the execution of the foregoing mortgage.

WITNESS my hand and Notarial Seal this 31<sup>st</sup> day of  
August, 2000.



**This Document Prepared By:**  
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