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### REAL ESTATE MORTGAGE

This Real Estate Mortgage ("Mortgage") is given on the 5<sup>th</sup> day of April, 2003, by **Viola Mable Collier** ("Borrower"), whose address is 239 Southmoor Road, Hammond, Indiana 46324, to **Chester Walther** ("Lender"), whose address is **1045 Heather Lane, Munster, Indiana 46321**. Borrower owes Lender the principal sum of **Four Thousand Dollars (\$4,000.00)**. This debt is evidenced by Borrower's note or other indebtedness dated **April 5, 2003** ("Note"), which provides for payment in full on or before **April 5, 2033**. This mortgage secures to Lender: (a) the repayment of the Note, with interest, and all renewals, extensions, and modifications of the Note; (b) the payment of all other sums advanced under this Mortgage, with interest; (c) the performance of Borrower's covenants and agreements under the Mortgage and the Note. For these purposes, Borrower mortgages and warrants to Lender, and to Lender's successors and assigns, the following described real estate ("Real Estate") located in **Lake County, Indiana**:

The Easterly 10 feet of Lot No. 8, Lot No. 9 and the Westerly 20 feet of Lot No. 10, in Block No. 4, Southmoor Addition to the City of Hammond, as per plat thereof, recorded in Plat Book 20 page 27, in the Office of the Recorder of Lake County, Indiana.

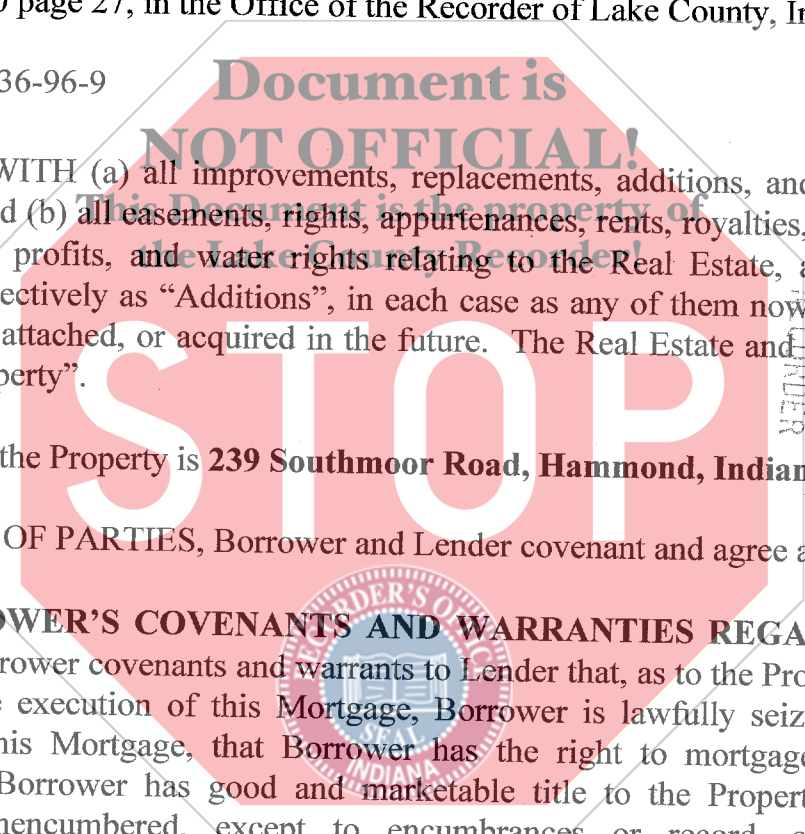
Tax Key No.: 36-96-9

TOGETHER WITH (a) all improvements, replacements, additions, and fixtures on the Real Estate; and (b) all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, and water rights relating to the Real Estate, all of which are referred to collectively as "Additions", in each case as any of them now exist or may be made, erected, attached, or acquired in the future. The Real Estate and its Additions are called the "Property".

The address of the Property is **239 Southmoor Road, Hammond, Indiana 46324**.

COVENANTS OF PARTIES, Borrower and Lender covenant and agree as follows:

1. **BORROWER'S COVENANTS AND WARRANTIES REGARDING REAL ESTATE.** Borrower covenants and warrants to Lender that, as to the Property existing at the time of the execution of this Mortgage, Borrower is lawfully seized of the estate conveyed by this Mortgage, that Borrower has the right to mortgage and grant the Property, that Borrower has good and marketable title to the Property, and that the Property is unencumbered, except to encumbrances or record, and such other encumbrances described in a notice given by Borrower to Lender ("Encumbrances"), all except to the extent that (a) a breach of the foregoing is due to a condition arising out of the acts or omissions of the Lender as the prior free title owner of the Property, or (b) any



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title defect or encumbrance existing at the time of the transfer of the fee simple title from Lender to Borrower, whether or not due to the acts or omissions of Lender. Borrower warrants and will defend the title to the Property against all claims and demands, subject to the Encumbrances, subject to the foregoing qualifications and limitations.

2. **SECURITY INTEREST IN FIXTURES.** Borrower grants Lender a security interest in any fixtures now or later attached to the Real Estate. Borrower authorizes Lender, at Borrower's expense and on Borrower's behalf, to execute and file a financing statement or statements in each public office deemed necessary by Lender to perfect its security interest in such fixtures.

3. **PAYMENT OF NOTE.** Borrower shall pay, when due, all sums payable under the Note, including (but not being limited to) principal, interest, late charges, and prepayment penalty or premium.

4. **PRESERVATION AND MAINTENANCE OF PROPERTY.**

4.1 Borrower shall:

4.1.1 Not commit waste or permit impairment or deterioration of the Property;

4.1.2 Not abandon the Property;

4.1.3 Comply with all laws, ordinances, regulations, and requirements or any governmental body applicable to the Property.

4.2 Neither Borrower nor any other person shall remove, demolish, or alter any improvements now existing or subsequently erected on the Real Estate, or any fixture, equipment, machinery, or appliance in or on the Real Estate except when incident to the replacement of fixtures, equipment, machinery, and appliances with items of like and kind.

5. **PROTECTION OF LENDER'S RIGHTS IN PROPERTY.**

5.1 If Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property, including paying items which are Borrower's obligations under this Mortgage or the Note. Lender's

actions may include paying any sums secured by a Prior Lien, appearing in court, paying reasonable attorneys' fees, paying hazard insurance premiums, and entering on the Property to make repairs or replacements. Although Lender may take action under this section 5, Lender is not required to do so.

5.2 Any amounts paid or disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate, and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

6. **INSPECTION.** Lender or its agent shall have the right to inspect the Property at all reasonable times. Lender shall give Borrower notice at the time of, or prior to, an inspection specifying reasonable cause for the inspection.

7. **CONDEMNATION.** In the event that the Property or any part of it shall be condemned and taken under power of eminent domain, the proceeds of any award of claim for damages shall be assigned by Borrower to Lender, and shall be paid to Lender. Such amount shall be credited on the sums then secured by the Mortgage, and the balance, if any, shall be paid to Borrower.

8. **SUCCESSORS AND ASSIGNS BOUND.** All terms of this Mortgage and the Note shall be jointly and severally binding upon Borrower and upon each and all of Borrower's successors in ownership of the Property, as well as upon all heirs and legal representatives of Borrower.

9. **SEVERABILITY.** A conflict of any provision in this Mortgage or in the Note with applicable law shall not affect other provision which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

10. **TRANSFER OF THE PROPERTY.** 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 own option, require immediate payment in full of all sums secured by this Mortgage.

11. **EVENT OF DEFAULT; ACCELERATION; REMEDIES REINSTATEMENT RIGHTS.**

11.1 **Event of Default.** For the purposes of this Mortgage, the term "Event of Default" shall mean any of the following:

11.1.1 The making by Borrower of any false or inaccurate representation in this Mortgage, the Note, or any document related to them;

11.1.2 Borrower's breach of any warranty made in this Mortgage; or

11.1.3 Borrower's failure to observe or comply with any provision or covenant in this Mortgage, the Note, or any document related to them.

11.2 **Notice of Default.** Lender shall give Notice to Borrower prior to acceleration following an Event of Default (but not prior to acceleration under Section 11 unless applicable law provides otherwise). The Notice shall specify:

11.2.1 The Event of Default;

11.2.2 The action required to cure the Event of Default;

11.2.3 A date, not less than 15 days from the date of the Notice is given to Borrower, by which the Event of Default must be cured; and

11.2.4 That failure to cure the Event of Default on or before the date specified in the Notice may result in acceleration of the sums secured by the Mortgage and foreclosure of the Mortgage by judicial proceedings.

11.3 **Acceleration; Remedies.** If an Event of Default is not cured on or before the date specified in the Notice, Lender at its option, shall have the following remedies, which are cumulative and are not mutually exclusive:

11.3.1 May require immediate payment in full of all sums secured by this Mortgage;

11.3.2 May foreclose this Mortgage by judicial proceeding;

11.3.3 May collect all costs incurred in pursuing any remedies including, but not limited to, reasonable attorneys' fees, costs of title evidence and survey, and expenses for environmental testing (which testing Lender reasonably believes is necessary to protect lender's interest in the Property).

12. **BORROWER NOT RELEASES; FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender is exercising any right or remedy under this Mortgage or the Note shall not be a waiver, or preclude the exercise of any right or remedy.



13. **LENDER IN POSSESSION; RECEIVERSHIP.** If Lender accelerated pursuant to Section 11, or Borrower abandons the Property, Lender also shall be entitled to take possession of the Property, and to have a receiver appointed to enter upon, take possession of, any manage the Property, and to collect the rents and profits of the Property (including those past due). Any rents collected by Lender or its receiver shall be applied first to payment of the costs or management of the Property and collection of rents including, but not limited to, receiver's bonds, and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

14. **RELEASE.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower (except for recording fees, which shall be Borrower's expense).

15. **WAIVER OF VALUATION AND APPRAISEMENT.** Borrower waiver all right of valuation and appraisal laws.

16 **MISCELLANEOUS.**

16.1 **Governing Law.** This Mortgage shall be governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the State of Indiana.

16.2 **Headings.** Section headings are included solely for convenience, and in no event shall affect or be used in connection with the interpretation of this Mortgage.

16.3 **Time of Essence.** Time is o the essence in this Mortgage.

16.4 **Computation of Time.** In computing a time period prescribed in this Mortgage, the day of the act or event shall not be counted. All subsequent days, including intervening weekend days and holidays, shall be counted in the period. The last day of the period so computed is to be included unless it is a weekend day or a legal holiday under Indiana law, in which case the period is to be extended to the next day that is not a weekend day or a legal holiday.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Mortgage and in any rider(s) executed by Borrower and recorded with it, and Borrower acknowledges receipt of a conformed copy of this Mortgage.

Viola Mable Collier  
Signature

Viola Mable Collier  
Printed name

STATE OF INDIANA     )  
  ) SS:  
COUNTY OF LAKE     )

On this 5<sup>th</sup> day of April, 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Viola Mable Collier and acknowledged the execution of the foregoing Mortgage.

Witness my hand and official seal.

My Commission Expires: 9-10-08

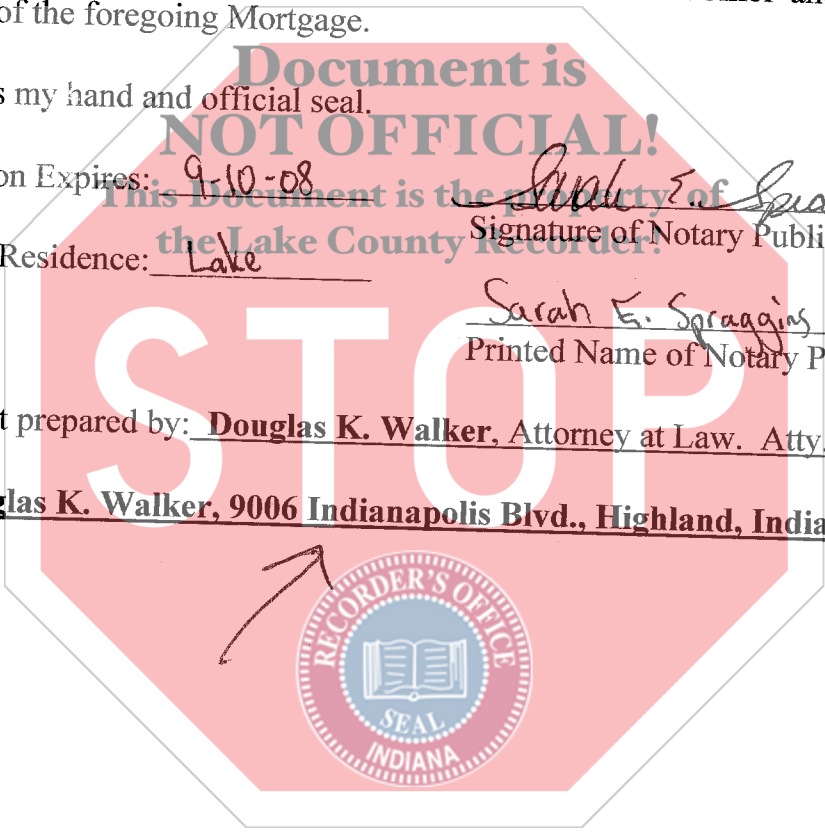
My County of Residence: Lake

Sarah E. Spraggins  
Signature of Notary Public

Sarah E. Spraggins  
Printed Name of Notary Public

This instrument prepared by: Douglas K. Walker, Attorney at Law. Atty. No. 21418-45.

Mail To: Douglas K. Walker, 9006 Indianapolis Blvd., Highland, Indiana 46322.



## PROMISSORY NOTE

The undersigned promises to pay to the order of Chester Walther hereinafter called "holder", the sum of Four Thousand Dollars (\$4,000.00) together with simple interest on the principal amount outstanding at the rate of Three Percent (3%) per annum until this note is paid in full, except during any period of default the interest rate shall be Fifteen Percent (15%) per annum.

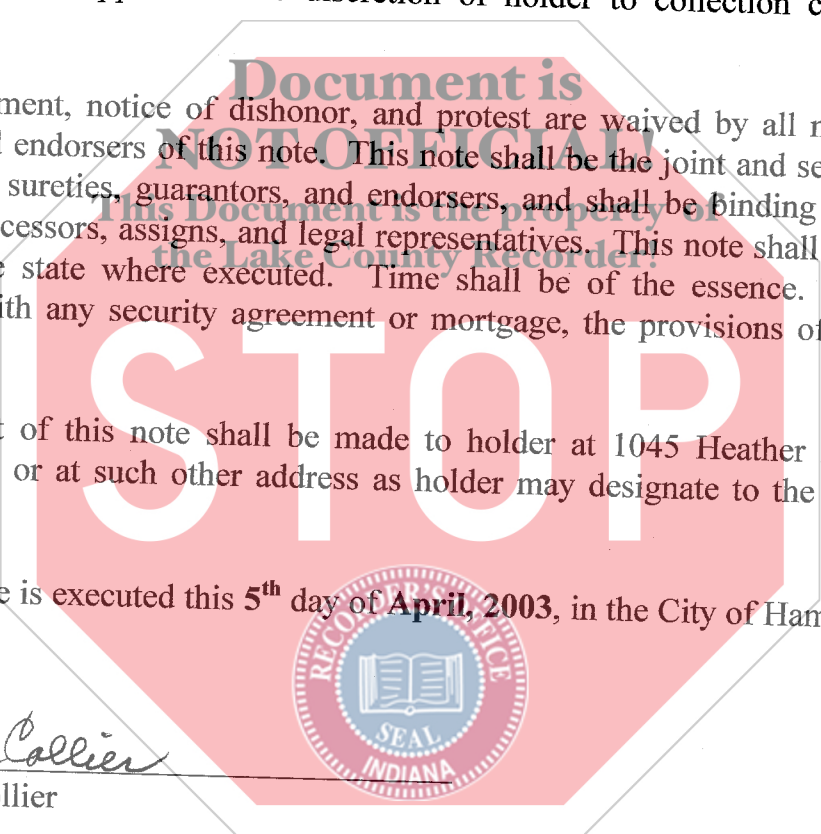
Payment of this note shall be made on demand.

If any payment pursuant to this note is not paid when due, the entire unpaid principal and interest shall, at the option of holder of this note, become immediately due and payable, forbearance on the part of the holder in accelerating or pursuing collection of this note shall not operate as a waiver of the right to do so at any future date. Upon default, holder shall be entitled to recover all costs of collection, including, but not limited to, reasonable attorney fees. This note is payable without relief from valuation or appraisal laws. This note may be prepaid in full, or in part, without penalty. Payments shall be applied at the discretion of holder to collection costs, interest or principal.

Presentment, notice of dishonor, and protest are waived by all makers, sureties, guarantors and endorsers of this note. This note shall be the joint and several obligation of all makers, sureties, guarantors, and endorsers, and shall be binding upon them and their heirs, successors, assigns, and legal representatives. This note shall be governed by the law of the state where executed. Time shall be of the essence. If this note is inconsistent with any security agreement or mortgage, the provisions of this note shall control.

Payment of this note shall be made to holder at 1045 Heather Lane, Munster, Indiana 46321, or at such other address as holder may designate to the undersigned in writing.

This note is executed this 5<sup>th</sup> day of April, 2003, in the City of Hammond, State of Indiana.

  
*Viola Mable Collier*  
Viola Mable Collier