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LAKE COUNTY
FILED FOR RECORD
2004 APR 17 11:58 AM
MORTGAGE

Return to:
Brian P. Popp
200 East 80th Place, Suite 200
Merrillville, IN 46410

2004 046684

REAL ESTATE MORTGAGE

THIS INDENTURE WITNESSETH, That DORIS M. SCHMELZER, hereinafter referred to as the "Mortgagor" of Lake County, State of Indiana, MORTGAGES AND WARRANTS to DEBORAH L. SKARJA, hereinafter referred to as the "Mortgagee" of Lake County, State of Indiana, the following described real estate in Lake County, Indiana being particularly described as:

Lots 14, 15 and 16 in Block No. 5, East Gary Real Estate Co.'s Third Addition to East Gary as per plat thereof recorded in Plat Book 10, Page 9, in the Recorder's Office of Lake County, Indiana

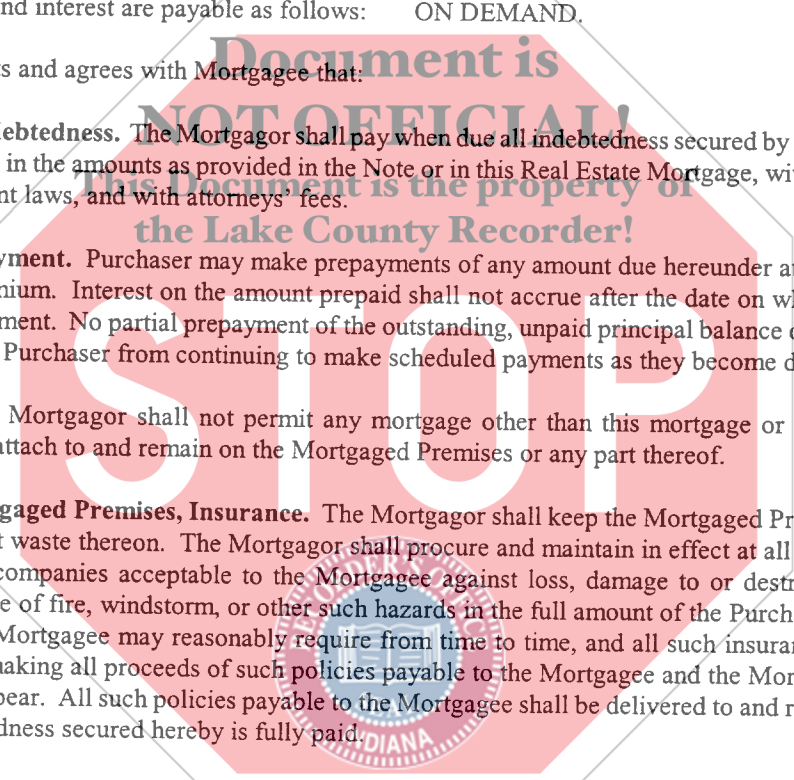
Commonly known as: 2323 Union Street, Lake Station, IN 46405 (hereinafter referred to as the "Mortgaged Premises") together with all rights, privileges, interests, easements, hereditaments, appurtenances, fixtures and improvements now or hereafter belonging, appertaining, or attached to, or used in connection with, the Mortgaged Premises, and all the rents, issues, income and profits thereof.

This Real Estate Mortgage is given to secure the performance of the provisions hereof and the payment of a certain Promissory Note ("Note") dated April 17, 2004, in the principal amount of FIVE THOUSAND DOLLARS (\$5,000.00) with interest as therein provided and with a final maturity date of -- ON DEMAND.

Said principal and interest are payable as follows: ON DEMAND.

The Mortgagor covenants and agrees with Mortgagee that:

1. **Payment of Indebtedness.** The Mortgagor shall pay when due all indebtedness secured by this Real Estate Mortgage, on the dates and in the amounts as provided in the Note or in this Real Estate Mortgage, without relief from valuation and appraisal laws, and with attorneys' fees.
 - (a) **Prepayment.** Purchaser may make prepayments of any amount due hereunder at any time without penalty or premium. Interest on the amount prepaid shall not accrue after the date on which Purchaser makes any prepayment. No partial prepayment of the outstanding, unpaid principal balance of the Purchase Price shall relieve Purchaser from continuing to make scheduled payments as they become due and payable.
2. **No Liens.** The Mortgagor shall not permit any mortgage other than this mortgage or any lien of mechanics or materialmen to attach to and remain on the Mortgaged Premises or any part thereof.
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 with 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 the full amount of the Purchase Price or in such other 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 payable to the Mortgagee shall be delivered to and retained by the Mortgagee until the indebtedness secured hereby is fully paid.
4. **Real Estate Taxes and Assessments.** The Mortgagor shall pay a prorata portion of all taxes or assessments levied or assessed against the Mortgaged Premises, or any part thereof, in addition to the monthly amortization of the Promissory Note before penalties accrue. The Mortgagee shall be responsible for timely forwarding said payments to the appropriate taxing authority.



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5. **Advancements to Protect Security.** The Mortgagee may, at its option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Real Estate Mortgage. All sums so advanced and paid by the Mortgagee shall be payable upon demand or shall become a part of the indebtedness secured hereby, at the election of the holder, and shall bear interest from the date or dates of payment at the rate of Six percent (6.0 %) 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 Real Estate Mortgage as a lien on the Mortgaged Premises, or any part thereof, and all costs, expenses, and attorneys' fees incurred by the Mortgagee in respect of any and all legal or equitable proceedings which relate to this Real Estate Mortgage or to the Mortgaged Premises.
6. **Default of 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 Real Estate Mortgage may be foreclosed accordingly. Upon such foreclosure the Mortgagee may continue the abstract of the title to the Mortgaged Premises, or obtain other appropriate title evidence, and may add the cost thereof to the principal balance due. In the event of any default by Mortgagor, Mortgagee may collect all costs incurred in pursuing any remedies including, but not limited to, reasonable attorney fees, costs of the title evidence and survey.
7. **Non-Waiver, Remedies Cumulative.** Time is of the essence in the performance of obligations hereunder. No delay by the Mortgagee in the exercise of any 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 rights hereunder shall preclude the exercise hereof in the event of subsequent default by the Mortgagor hereunder. The Mortgagee may enforce any one or more of the rights or remedies hereunder successively or concurrently.
8. **Extensions, Reductions, Renewals, Continued Liability of Mortgagor and Guarantor(s).** The Mortgagee, at its 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 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 Real Estate Mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of the Mortgagor and Guarantor(s), if any, to the Mortgagee.
9. **General Agreement of Parties and Severability Clause.** This Contract constitutes the entire agreement between the parties and contains all of the agreements between the parties with respect to the subject matter hereof; this Contract supersedes any and all other agreements, whether oral or written, between the parties hereto with respect to the subject matter hereof. No change or modification of this Contract shall be valid unless the same be in writing and signed by the Purchaser and the Seller. No waiver of any provision of this Contract shall be valid unless in writing and signed by the party to be charged. This Contract shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties. Any clause or part of this contract which may be declared void shall be severable and the balance of this Contract is to remain in full force to the full extent allowable by law and provided such would not result in injustice or unfairness to either party hereto.
10. **Application of Sums.** Unless applicable law or other provisions of this Mortgage or the Note provide otherwise, all payments received by Mortgagee shall be applied in the following order: first, to costs incurred by Mortgagee as a result of Mortgagor's default under this Mortgage or the Note; second, to late charges; third, to interest; and last, to principal; in each case, when due.
11. **Preservation and Maintenance of the Property.** Mortgagor shall:
- (a) Not commit waste or permit impairment or deterioration of the Property;
 - (b) Not abandon the Property;

