

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2005 046708

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MICHAEL A. BROWN  
ATTORNEY

## REAL ESTATE MORTGAGE

This Real Estate Mortgage ("Mortgage") is given on the 3rd day of June, 2005 by GERALD RUTLEDGE, ("Obligor"), whose address is 1105 N. Wheeler, Griffith, Indiana to DIANA WRIGHT and GREG RUTLEDGE, ("Obligee"), of Lake County, Indiana. Obligor owes Obligee the Principal sum of Forty Thousand Dollars (US\$40,000.00). For these purposes, Obligor mortgages and warrants to Obligee, the following described real estate ("Real Estate") located in Lake County, Indiana:

Lot 56 in Colfax 3<sup>rd</sup> Addition to the Town of Griffith, as per plat thereof, recorded in Plat Book 35 page 8, in the Office of the Recorder of Lake County, Indiana.

**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, water rights, growing crops, and timber 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 1105 N. Wheeler, Griffith, Indiana  
("Property Address").

COVENANTS OF PARTIES. Obligor and Obligee covenant and agree as follows:

**1. OBLIGOR'S COVENANTS AND WARRANTIES REGARDING REAL ESTATE.** Obligor covenants and warrants to Obligee that, as to the Property existing at the time of the execution of this Mortgage, Obligor is lawfully seized of the estate conveyed by this Mortgage, that Obligor has the right to mortgage and grant the Property, that Obligor has good and marketable title to the Property, and that the Property is unencumbered, except for encumbrances of record, and such other encumbrances described in a notice given by Obligor to Obligee ("Encumbrances"). Obligor warrants and will defend the title to the Property against all claims and demands, subject to the Encumbrances. Obligor further warrants that there is at least \$40,000.00 of equity in the Property.

**2. PRESERVATION AND MAINTENANCE OF PROPERTY.**

2.1 Obligor shall:

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

2.1.2 Not abandon the Property;

2.1.3 Restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Obligee may approve in writing, in the event of any damage, injury, or loss to the Property, whether or not insurance proceeds are available to cover the whole or any part of the costs of such restoration or repair;

2.1.4 Keep the Property, including equipment, machinery, and appliances on it, in good repair; and shall replace them when necessary to keep them in good repair and;

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

2.2. Neither Obligor 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 kind.

**3. PROTECTION OF OBLIGEE'S RIGHTS IN PROPERTY.**

3.1 If Obligor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that my significantly affect Obligee's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation, or to enforce laws or regulations), then Obligee may do and pay for whatever is necessary to protect the value of the Property and Obligee's rights in the Property, including paying items which are Obligor's obligations under this Mortgage or the Note. Obligee's actions may include paying any sums secured by a Prior Line, appearing in court, paying reasonable attorneys' fees, paying hazard insurance premiums, and entering on the Property to make repairs or replacements. Although Obligee may take action under this section 9, Obligee is not required to do so.

3.2 Any amounts paid or disbursed by Obligee under this section 9 shall become additional debt of Obligor secured by this Mortgage. Unless Obligor and Obligee 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 Obligee to Obligor requesting payment.

**4. 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 aware of claim for damages shall be assigned by Obligor to Obligee, and shall be paid to Obligee. Such amount shall be credited on the sums then secured by this Mortgage, and the balance, if any, shall be paid to Obligor.

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

**6. NOTICES**

6.1 Any notice, designation, consent, approval, offer, acceptance, statement, request, or other communication required or allowed under this Mortgage ("Notice") shall be in writing, and shall be given to a party at the address stated in this Mortgage, or at such other address as a party may designate in a Notice to the other party.

6.2 Notice shall be deemed given when:

6.2.1 Personal service of the Notice is made on the party to be notified (but the party need not be at the address designated under section 6.1);

6.2.2 The Notice is mailed to the party to be notified by means of first class U.S. mail, postage prepaid; or

6.2.3 The Notice is sent to the party to be notified by express courier such as "Federal Express", "Purolator", or such other similar carrier guaranteeing next day delivery;

6.3 Refusal by a party to accept a Notice shall not affect the giving of the Notice.

**7. SEVERABILITY.** A conflict of any provision in this Mortgage or in the Note with applicable law shall not affect other provisions 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.

**8. TRANSFER OF THE PROPERTY.** If all or any part of the Property or any interest in it is sold or transferred without Obligee's prior written consent, Obligee may, at its option, require immediate payment in full of all sums secured by this Mortgage.

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9. **OBLIGEE IN POSSESSION; RECEIVERSHIP.** If Obligee accelerates pursuant to section 8, or Obligor abandons the Property. Obligee also shall be entitled to take possession of the Property, and to have a receiver appointed to enter upon, take possession of, and manage the Property, and to collect the rents and profits of the Property (including those past due). Any rents collected by Obligee or 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 attorneys' fee, and then to the sums secured by this Mortgage.

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

11. **WAIVER OF VALUATION AND APPRAISEMENT.** Obligor waives all right of valuation and appraisal laws.

12. **AUTHORITY TO SIGN.** Each person signing this Mortgage in a representative capacity of behalf of Obligor warrants and represents to Obligee that:

- 12.1 The person so signing this Mortgage has the actual authority and power to so sign, and to bind Obligor to this Mortgage; and
- 12.2 All corporate action necessary for the making of this Mortgage has been duly taken.

13. **MISCELLANEOUS.**

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

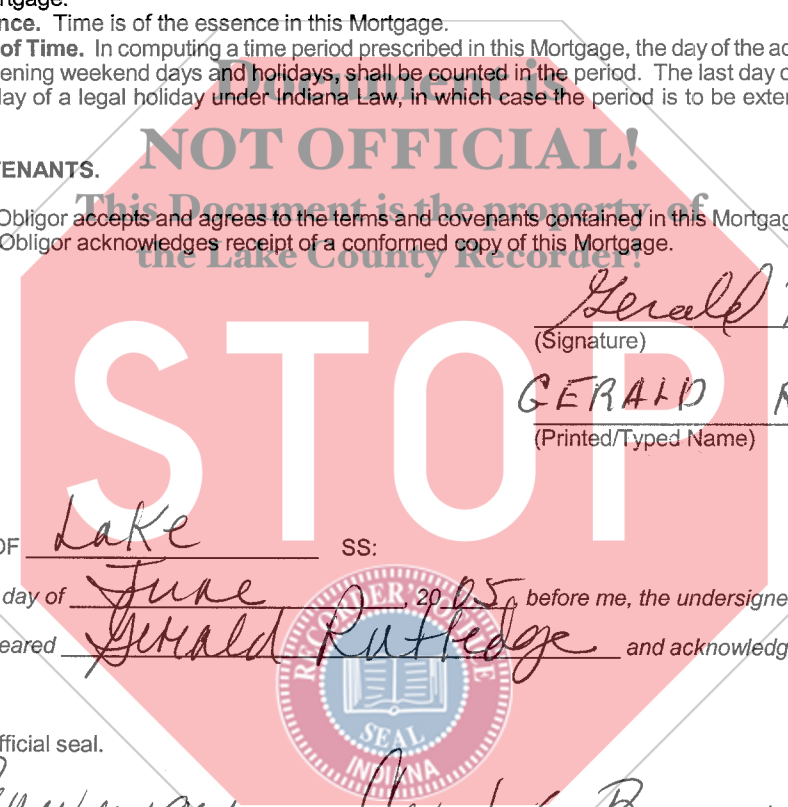
13.2 **Headings.** Section headings are included solely for convenience, and in no event shall affect or be used in connection with the interpretation of this Mortgage.

13.3 **Time of Essence.** Time is of the essence in this Mortgage.

13.4 **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 of 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.

14. **ADDITIONAL COVENANTS.**

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



Gerald Rutledge  
(Signature)

GERALD RUTLEDGE  
(Printed/Typed Name)

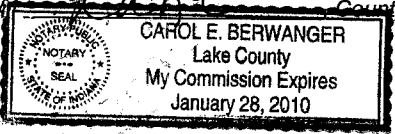
STATE OF INDIANA, COUNTY OF Lake SS:

On this 3rd day of June, 2005, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Gerald Rutledge and acknowledged the execution of the foregoing Mortgage.

Witness my hand and official seal.  
My Commission Expires:  
Carol E Berwanger  
(Signature of Notary Public)

Carol E Berwanger  
(Printed/Typed Name of Notary Public)

Resident of Lake County, Indiana



The instrument prepared by: R. Brian Woodward, Attorney No. 2303-45, Casale, Woodward & Buls, LLP  
9223 Broadway, Suite A, Merrillville, Indiana 46410 Phone: (219) 736-9990

Mail to: \_\_\_\_\_