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MICHAEL A. BROWN
RECORDER

REAL ESTATE MORTGAGE

THIS MORTGAGE is made this 14 day of August, 2006, between Bertha M. Gobin, Trustee of the Bertha M. Gobin Trust dated July, 2006, hereinafter referred to as the "Lender", and Timothy I. Stewart and Joselyn M. Stewart, husband and wife, (herein "Borrowers"), of Lake County, Indiana.

WHEREAS, Borrowers are indebted to Lender in the principal sum of Fifty Thousand One Hundred Thirty Dollars and Twenty-Two Cents (\$50,130.22) as of August 1, 2006, which indebtedness is evidenced by Borrowers' Note dated August 14, 2006 (herein "Note"), providing for monthly installments of principal and interest, payable at the rate of six percent (6.0%) continuing on the 1st day of each month thereafter with the balance of the indebtedness due and payable on the 1st day of April, 2010.

TO SECURE TO LENDER the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrowers herein contained, Borrowers do hereby mortgage, grant and convey to Lender the following described real estate located in Lake County, Indiana, to-wit:

The East Half of Lot 3, in Block 8, in Resubdivision of Garden Homes, as per plat thereof, recorded in Plat Book 23, page 55, in the Office of the Recorder of Lake County, Indiana.

which has the address of 3510 East 35th Place, Lake Station, Indiana 46405-3112 (herein "Property Address");

TOGETHER with all the improvements, appurtenances, rights and privileges and all fixtures thereunto appertaining, together with the rents, issues and profits thereof, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing are herein referred to as the "Property".

Borrowers covenant that Borrowers are lawfully seised of the estate hereby conveyed and have the right to mortgage, grant and convey the Property, that the property is unencumbered, and that Borrowers 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 leasehold title insurance policy insuring Lender's interest in the Property.

The Borrowers and the Lender covenant and agree as follows:

1. **PAYMENT OR PRINCIPAL AND INTEREST.** Borrowers shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and late charges as provided in the Note.
2. **APPLICATION OF PAYMENTS.** All payments received by the Lender under the Note and Paragraph 1 hereof shall be applied by Lender first to interest payable on the Note, then to the principal of the Note.

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3. **PAYMENT OF TAXES, ASSESSMENTS AND IMPOSITIONS.** The Borrowers hereby agree to pay all taxes, assessments and impositions levied and imposed upon the improvements on the Property as the same become due and payable, and within ten (10) days after any of such taxes, assessments or impositions, or any installments thereof, shall be due and payable, to furnish and exhibit to the Lender valid receipts evidencing such payments, and, failing so to do, the Lender may pay the same, and the money so paid by the Lender shall become a part of the debt secured by and collectible under this Mortgage.
4. **INSURANCE.** Borrowers agree to keep all buildings and improvements now on or hereafter erected upon said real estate and all equipment attached thereto insured against loss or damage by fire, lightning, windstorm, tornado, cyclone and hail and water damage in some responsible insurance company satisfactory to the Lender and in no event less than the full insurable value of the improvements with proper and sufficient mortgage or loss payable clauses upon each of the policies of such insurance in form satisfactory to the Lender, payable to the Lender as the Lender's interest may appear under this Mortgage and the Note, or Notes, secured hereby, and to deliver to and leave in the possession of the Lender any and all such policies of insurance as issued, with receipts showing the payment of the full premium, or premiums, on such policies, and failing so to do, the Lender may procure and pay for such insurance, and the amounts so paid shall become a part of the debt secured by and collectible under this Mortgage; unless Lender and Borrowers 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 Borrowers. If the Property is abandoned by Borrowers or if Borrowers fail to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrowers 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. Unless Lender and Borrowers otherwise agree in writing, any such application of insurance proceeds to principal shall not extend or postpone the due date of any monthly installment due under the Note secured by this Mortgage, or change the amount of such installment. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of the Borrowers in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.
5. **INCLUSION UNDER LIEN OF THIS MORTGAGE.** That the lien of this Mortgage shall include all trees, shrubbery, equipment, appliances and fixtures now or hereafter located upon or attached to the Property, and that the Borrowers shall not in any way make any material alterations in the improvements now on or hereafter erected upon said Property, or remove the whole or any part of such improvements of the aforesaid equipment, appliances; fixtures, trees or shrubbery without the written consent of the Lender.
6. **LIENS AND CHARGES.** Borrowers shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage by making payment, when due, directly to the payee thereof. Borrowers shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrowers shall not be required to discharge any lien so long as Borrowers shall agree in writing to the payment of the obligation secured by such lien in a 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


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thereof. If the Borrowers do not, however, pay any such lien which may arise against the property and have not agreed in writing to the payment of such obligation in a manner acceptable to Lender or are not in good faith contesting such lien, then the Lender may, at the Lender's option and discretion, pay the whole or any part of any such lien upon said property, whether such lien, or liens, be prior and senior or subsequent and junior to the lien of this Mortgage and that any amounts so paid by the Lender for any of such purposes shall become a part of the debt secured by and collectible under this Mortgage.

7. **RIGHT OF BORROWERS TO CONVEY.** That the Borrowers shall not sell, mortgage, convey or dispose of any of the security covered by this Mortgage without the written consent of the Lender.

8. **PRESERVATION AND MAINTENANCE OF PROPERTY.** That the Borrowers shall keep the Property in good repair and will not suffer, permit or commit any waste or commit any act which would impair or depreciate the value of the security herein mortgaged, and that said Borrowers will keep the buildings, improvements, equipment, appliances and fixtures now located upon or hereafter erected or placed upon the above described Property in a good condition and state of repair at all times.

9. **CONDEMNATION.** In the event that the property herein mortgaged or any part thereof is taken for public purposes, any money received shall be paid to the Lender, to apply upon any debt which may be secured by this Mortgage, with the balance paid to Borrowers.

10. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrowers notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

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; JOINT AND SEVERAL LIABILITY CAPTIONS.**

The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrowers, subject to the provisions of Paragraph 17 hereof. All covenants and agreements of the Borrowers shall be joint and several. 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 Borrowers provided for in this Mortgage shall be given by mailing such notice by certified mail, addressed to Borrowers at the Property Address or at such other address as Borrowers 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 the Lender at 701 West 700 North, Hobart, Indiana 46342, or to such other address as Lender may designate


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by Notice to Borrowers as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrowers or Lender when given in the manner designated herein.

15. **UNIFORM MORTGAGE; GOVERNING LAW; SEVERABILITY.** This form of Mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the State of Indiana. In the event that any provision or clause of this Mortgage or the Note 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 provisions, and to this end the provisions of the Mortgage and the Note are declared to be severable.
16. **BORROWERS' COPIES.** The Borrowers shall be furnished with a conformed copy of the Note and of this Mortgage at the time of execution or after recordation thereof.
17. **TRANSFER OF PROPERTY; ASSUMPTION.** If all or any part of the property of an interest therein is sold or transferred by Borrowers without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this mortgage, (b) the creation of a purchase money security interest for household appliances, (c) the transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three (3) years or less, not containing an option to purchase, Lender, may at Lender's option declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, then Lender may, at her option, release Borrowers from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrowers notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrowers may pay the sums declared due. If Borrowers fail to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrowers, invoke any remedies permitted by Paragraph 18 hereof.

18. **ACCELERATION; REMEDIES.** Except as provided in Paragraph 17 hereof, upon Borrowers' breach of any covenant or agreement of Borrowers in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, lender prior to acceleration shall mail notice to Borrowers as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrowers, 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. 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 foreclosure, including but not limited to, reasonable attorneys' fees, and costs of documentary evidence, abstracts and title reports.


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19. **ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER.** As additional security hereunder, Borrowers hereby assign to Lender the rents of the Property, provided that Borrowers shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, has 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, to have a receiver appointed by a court to enter upon, take possession of and 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 payments of the costs of management of the Property and collection of rents, including, but not limited to receivers' fees, premiums on receivers' bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

20. **WAIVER OF VALUATION AND APPRAISEMENTS.** Borrowers hereby waive all right of valuation and appraisal.

IN WITNESS WHEREOF, Borrowers have executed this Mortgage.

Timothy I. Stewart Joselyn M. Stewart
TIMOTHY I. STEWART JOSLEYN M. STEWART

STATE OF INDIANA

COUNTY OF LAKE

On this 14th day of August, 2006, before me the undersigned, a Notary public in and for said County and State, personally appeared Timothy I. Stewart and Joselyn M. Stewart, husband and wife, and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official seal.

My Commission Expires:

1-25-08

Tamara S. Everett-Silva
Printed Name, A Notary Public
A Resident of Porter County, IN

THIS INSTRUMENT PREPARED BY: TERRY K. HESTAND
Hiestand Law Office
117 Broadway, Chesterton, IN 46304
(219) 926-2188

I affirm under the penalties for perjury that I have taken reasonable care to redact each social security number in this document, unless required by law.
Terry K. Hiestand