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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2006 111660

2006 DEC 21 AM 9:16

MICHAEL A. BROWN
RECORDER

Z4-662 IN (07/2003)
DIST 4665

INDIANA

1st Farm Credit Services
14 Heritage Plaza
Bourbonnais, IL 60914

MAIL
TO:

MORTGAGE

Loan No. 7665879800

THIS MORTGAGE, made this 15th day of December, 2006, by and between

DAVID C LOTTON and KIMBERLY S LOTTON, husband and wife

(hereinafter referred to as the Mortgagor), of 23050 SOUTH LAGRANGE RD FRANKFORT,
Illinois 60423-0000, and 1st Farm Credit Services, FLCA,
a corporation, existing and operating under an Act of Congress known as the Farm Credit Act of 1971, as amended, of
2000 Jacobssen Drive, Normal, Illinois 61761, (hereinafter referred to as Mortgagee).

This Mortgage is given to secure the repayment of a note of even date herewith executed and delivered to the
Mortgagee, which includes:

- Principal in the sum of:
Two Hundred Seventy-Two Thousand Five Hundred Fifty and 00/100 (\$272,550.00) Dollars;
- Interest, which may be adjustable or fixed and which may be converted from one to the other from time to time
at the option of the Mortgagor with the consent of the Mortgagee;
- All other sums, including, but not limited to, any prepayment fees payable in accordance with said Note; and
- A repayment plan with the last installment being due on January 1, 2027 ;

Without any relief whatever from valuation or appraisal laws, and the Mortgagor further promises and agrees
to pay reasonable attorney's fees.

WITNESSETH: That the Mortgagor, in consideration of ONE DOLLAR and other valuable consideration, the
receipt and sufficiency of which being hereby acknowledged, does by these presents MORTGAGE and WARRANT
unto the Mortgagee, the following described real estate, together with its rents, issues and profits, and together with all
buildings and improvements thereon or hereafter erected thereon and all appurtenances belonging thereto, situated in,
LAKE County, State of Indiana to wit:

The South 169 feet by parallel lines to the South line of the Northwest 1/4 of the Northwest 1/4 of Section 24,
Township 33 North, Range 10 West of the Second Principal Meridian, and the North 1/2 of the South 1/2 of
the North 1/2 of Section 24, Township 33 North, Range 10 West of the 2nd Principal Meridian, except 5 acres
off of the East end of the North 1/2 of the South 1/2 of the North 1/2 of said Section 24, deeded to Peter Miller
by Warranty Deed dated May 14, 1889 and recorded August 15, 1889 in deed record 46 page 353, in the Office
of the Recorder of Lake County, Indiana, EXCEPT THEREFROM, the following described parcel of land:

That part of the North 1/2 of Section 24, Township 33 North, Range 10 West of the Second Principal Meridian,
in Lake County, Indiana, described as beginning at the Northwest corner of the North 1/2 of the South 1/2 of
the North 1/2; thence North 00 degrees 20 minutes 05 seconds East, 169.00 feet along the West line of said
Section 24 to the North line of the South 169 feet of the North 1/2 of said Section 24; thence South 89 degrees
55 minutes 02 seconds East, 472.96 feet along said North line; thence South 00 degrees 20 minutes 05
seconds East, 169.00 feet to the North line of the North 1/2 of the South 1/2 of the North 1/2 of said Section
24; thence continuing South 00 degrees 20 minutes 05 seconds East, 321.00 feet; thence North 89 degrees 55
minutes 02 seconds West, 472.96 feet to said West line of Section 24; thence North 00 degrees 20 minutes 55
seconds East, 321.00 feet along said West line to the point of beginning.

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To Have And To Hold to the proper use of the Mortgagee forever. And the Mortgagor covenants with the Mortgagee, that at and until the execution and delivery of this mortgage, he is well seized of the above-described premises, has a good and indefeasible estate in fee simple, and has good right to encumber them in manner and form as above written; that they are free and clear of all encumbrances, unrecorded conveyances and undisclosed interests whatsoever; and that he will warrant and defend said property, with the appurtenances thereunto belonging, to the Mortgagee, against all lawful claims and demands whatsoever. By execution of this Mortgage, Mortgagor hereby acknowledges receipt of all of the proceeds of the loan evidenced by the aforesaid promissory note or notes.

The mortgagor covenants and agrees (1) to pay, when due, all taxes, liens, judgments or assessments lawfully encumbering the property; (2) that the proceeds of the Note secured hereby are used solely for the purposes specified in the loan application; (3) to keep the property insured against loss or damage by fire, wind, flood and extended coverage perils, in companies and amounts satisfactory to Mortgagee, and provide evidence of such insurance to the satisfaction of the Mortgagee and to use any insurance proceeds in accordance with the policies and procedures of the Mortgagee or to apply such proceeds on the indebtedness hereby secured as the Mortgagee may elect; (4) to maintain the improvements in good repair, to refrain from the commission of waste, to cultivate the property in a good and husbandman like manner and not to cut, remove or permit the cutting or removal of timber therefrom except for domestic use; (5) that neither Mortgagor nor, to the best of Mortgagor's knowledge, any prior owner has created conditions which may give rise to environmental liability; that no enforcement actions are pending or threatened and that any costs the Mortgagee incurs as a result of environmental liabilities shall become a part of the debt secured hereby; to remedy any contamination that may occur or be discovered in the future, to comply with all state and federal environmental laws, to allow Mortgagee access to the property for testing and monitoring and to forward any notices received from state and federal environmental agencies to Mortgagee; to permit Mortgagee and its agents to enter upon the property to make such inspections and tests as Mortgagee may deem appropriate to determine compliance of the property with this covenant (any inspections or tests made by Mortgagee shall be for Mortgagee's purposes only and shall not be construed to create any responsibility or liability on the part of the Mortgagee to Mortgagor or to any other person); that to the best of Mortgagor's knowledge, there are no underground tanks on the property, except as already disclosed, and that any such underground tanks currently or previously located on the property do not now, and never have leaked and there is no contaminated soil located on the property in connection with any of said underground tanks; and to indemnify and hold Mortgagee harmless against any and all claims and losses resulting from a breach of this covenant of the Mortgagee; this covenant and indemnity shall survive foreclosure of this Mortgage or acceptance by Mortgagee of a deed in lieu of foreclosure; (6) not to assign, lease, sell, convey or impair any crop allotment and/or any acreage allotment now established or hereafter established on the property; (7) to pay all court costs, expenses of title examination, abstract fees, and when lawful, attorney's costs and fees incurred by the Mortgagee involving this Mortgage, the loan it secures and the enforcement thereof, and any such costs, expenses or fees paid or payable by the Mortgagee shall become a part of the debt secured hereby; (8) that if the Mortgagor fails to pay when due any tax, lien, judgment, assessment, court costs, attorney's fees or title evidence expense, or to maintain insurance as hereinbefore provided, the Mortgagee may do so, and all amounts so paid shall bear interest from date of payment at the rate set out for defaulted payments in the Note secured hereby; (9) that there are hereby specifically assigned to the Mortgagee all rents, royalties, revenues, damages and payments of every kind at any time accruing under or becoming payable on account of the sale, lease or transfer of any interest in any portion of the property, any oil, gas, mining and mineral leases, rights or privileges of any kind now existing or that may hereafter come in to existence covering the property and any condemnation proceedings or other seizure of all or part thereof under the right of eminent domain or otherwise, and all monies received by Mortgagee by reason of this assignment may be applied, at the option of the Mortgagee, upon any unpaid amounts of principal and/or interest provided that nothing herein shall be construed as a waiver of the priority of the lien of this Mortgage over any such lease, rights or privileges granted subsequent to the date of this Mortgage; (10) that the Mortgagee may renew or substitute the evidence of indebtedness and may extend and defer the maturity of and reamortize said indebtedness, release any person from liability to repay said indebtedness and any such extensions, deferrals, renewals and reamortizations will be secured hereby; (11) that, if any portion of the debt secured hereby was incurred for the purpose of financing the construction of improvements upon the property, such construction shall not be unreasonably delayed or stopped; (12) that if the Mortgagor shall sell, transfer or lease the property, or if the ownership of any portion thereof shall be changed either by voluntary or involuntary transfer or by operation of law, or if the Mortgagor defaults in the payment of said indebtedness, or with respect to any warranty, covenant, or agreements herein contained, or if a receiver or trustee for any part of the property is appointed, or if any proceeding under the bankruptcy or insolvency laws is commenced by or against Mortgagor, or if Mortgagor becomes insolvent, or if, in defending any such action commenced to foreclose or enforce a lien on any portion of the property, the Mortgagee elects to cross-claim and foreclose the lien of this Mortgage, then, at the Mortgagee's option, the entire indebtedness secured hereby shall forthwith become due and payable and bear interest at the rate set out for defaulted payments in the note secured hereby, and the Mortgagee shall have the right to enter upon and take possession of the property and to foreclose the lien of this Mortgage; (13) that in any foreclosure action or other proper proceeding the court shall, at the request of the Mortgagee, appoint a receiver for the property; (14) that if the indebtedness is subject to a guarantee from Farm Service Agency, the Mortgagors shall be in default under this mortgage, the above note(s) and other loan documents should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 CFR Part 1940, Subpart G, Exhibit M; prior to loss of the exemption from the highly erodible land conservation restrictions found in 7 CFR Part 12, Mortgagors must demonstrate that Mortgagors are actively applying an approved conservation plan on that land which has been determined to be highly erodible prior to 1990 or two years after the Soil Conservation Service has completed a soil survey for that land, whichever is later; and Mortgagors must demonstrate that any production of an agricultural commodity on highly erodible land will be done in compliance with an approved Soil Conservation Service conservation system; (15) that the omission of the Mortgagee to exercise its option upon any default as aforesaid, or to exercise any other option or right hereunder, shall not preclude it from the exercise thereof at any subsequent time or for any subsequent default; (16) that upon the payment of all sums secured by this mortgage, Mortgagee shall release this mortgage without any charge paid to the Mortgagee. Unless prohibited by applicable law, Mortgagor shall pay any actual recordation costs prescribed by law and paid to public officials for the release of this Mortgage; (17) that the covenants, agreements and provisions herein contained shall be binding upon and inure to the benefit of the heirs, devisees, personal representatives, grantees, successors, and assigns of the respective parties;

(18) that wherever in this Mortgage either the Mortgagor or the Mortgagee is named or referred to, such naming or reference includes all of the class and assigns, heirs, personal representatives, grantees, or successors of either, as the case may be; and that the pronoun as used herein in the third person singular, includes the person, number and gender appropriate to the first designation of the parties; (19) all references to the interest rate as referred to hereinabove shall be subject to the interest rate provisions of the Note or Notes secured hereby and any supplemental agreements.

In the event that any provision or clause of this Mortgage conflicts with applicable law or is declared unenforceable by a court of competent jurisdiction or otherwise, then any such provision or clause shall be severable and shall not affect the remaining provisions of this Mortgage or the enforceability thereof.

THE CONDITION OF THIS MORTGAGE is such that if all payments provided for in the Note are made and each and all of the covenants, conditions and agreements, either in the Note or in this Mortgage, are complied with, then this Mortgage shall be null and void, otherwise the same shall remain in full force and effect.

IN WITNESS WHEREOF, the Mortgagor has hereunto set his hand, the day and year first written above.

[Signature]
DAVID C LOTTON
[Signature]
KIMBERLY S LOTTON



STATE OF ILLINOIS)
COUNTY OF Will) SS:

Before me, Keith A. Detwiler, a Notary Public in and for said State and
(printed or typewritten name of Notary)

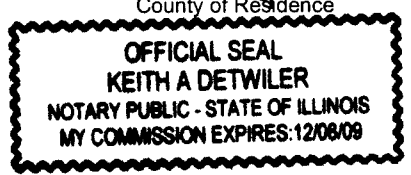
County, this 15 day of December, 2006, David C. Lotton and Kimberly S. Lotton, husband and wife
(name(s) of person(s) executing the instrument)

acknowledged the execution of the foregoing instrument.

My commission expires: December 8, 2009

Warren County, Illinois
County of Residence

[Signature]
Notary Public
Typed name of Notary Public Keith A. Detwiler



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. _____

This instrument was prepared under the supervision of Legal Counsel for the Mortgagee herein by: Charles Croxton, 1st Farm Credit Services, FLCA, 2000 Jacobssen Drive, Normal, IL 61761.

Loan No. _____

Document is

NOT MORTGAGE OFFICIAL!

MORTGAGE

**This Document is the property of
the Lake County Recorder!**

Received for record on the _____ day of _____, at _____ o'clock _____ M. and
recorded in Volume _____ of Mortgages, on page _____.

STOP

_____, Recorder

_____, County, Indiana

