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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2009 081311

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MICHAEL A. BROWN
RECORDER

REAL ESTATE MORTGAGE

This **MORTGAGE** is entered into on this 20 day of October, 2009, between WESLEY KIPP and JO ANN KIPP (hereinafter called the MORTGAGOR) and DEBORAH ANN CUNDIFF (hereinafter called the MORTGAGEE). Said parties hereby agree as follows:

1. The MORTGAGOR has become indebted to the MORTGAGEE in the sum of THREE THOUSAND DOLLARS (\$3,000.00), with interest thereon at four percent (4%) per annum, computed monthly on the unpaid balance. Payments to be made upon demand of the MORTGAGEE. This indebtedness is evidenced by a Promissory Note which the MORTGAGOR has signed and delivered to the MORTGAGEE dated the same date as this Mortgage, the terms of which are incorporated in this Mortgage by reference, the principal and interest to be payable, at such place as the holder of said Note may designate.

The parties to this Mortgage are desirous of securing the prompt payment of the principal and interest of such Note, and any additional indebtedness accruing to the MORTGAGEE.

2. **Grant of Mortgage.** The MORTGAGOR, for the purpose of securing the prompt payment of the indebtedness as it becomes due, and also for good and legally sufficient consideration from the MORTGAGEE, the receipt whereof is hereby acknowledged, hereby MORTGAGES AND WARRANTS to the MORTGAGEE the real estate situated in Lake County, Indiana, as more particularly described as follows:

The North Thirty (30) feet of Lot Three (3) and the South Thirty-five (35) feet of Lot Four (4), in Block Two (2), Greenwood Second Addition to the Town of Munster as shown in Plat Book 30, page 69, in the Office of the Recorder of Lake County, Indiana,

including all buildings and improvements now thereon, or which may hereafter be placed thereon, together with the tenements, hereditaments, and appurtenances and all other rights belonging to said real estate, or in any way now or hereafter appertaining, and the reversions, remainder and remainders, rents, issues, and profits from said real estate, and all plumbing, heating, and lighting and other fixtures and equipment now or hereafter attached to or used in connection with said real estate, buildings, and improvements (said real estate, buildings, improvements and fixtures sometimes hereafter collectively called the "Premises"), to have and to hold said Premises unto the MORTGAGEE to their own use and benefit forever.

3. **Payment of Note.** If the MORTGAGOR fulfills their obligations and pays to the MORTGAGEE the entire indebtedness evidenced by said Note, and all other indebtedness of the MORTGAGOR to the MORTGAGEE, however evidenced, and however otherwise secured, if secured at all, now or hereafter existing, according to the terms stipulated in each such evidence of indebtedness, and according to all of the

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terms and considerations of this Mortgage, and regardless of whether such obligations or indebtedness are the individual obligations or indebtedness of one MORTGAGOR or whether such obligations or indebtedness be several or jointly with others, together with principal, interest, attorneys' fees and required charges, and without relief from valuation and appraisal laws, then the lien created and established by the Mortgage shall terminate and be void.

4. **Related Documents Incorporated.** The terms and conditions of the Note described above, all guarantees, assignments, and security agreements, and such other documents, if any, described in EXHIBIT A, attached to and a part of this Mortgage, and all addenda to said documents hereafter will sometimes be called collectively the "related documents." Said related documents are hereby made a part of this Mortgage to the same extent and with the effect as if fully set forth herein.

5. **MORTGAGOR'S Covenants.** The MORTGAGOR, in order to more fully protect the security of this Mortgage, hereby covenants and agrees as follows:

a. The MORTGAGOR owns the Premises in fee simple and clear of all liens except current real estate taxes, which are not delinquent, and such exceptions as MORTGAGOR has advised MORTGAGEE about in writing at the date of this Mortgage. MORTGAGOR will not permit any additional liens or encumbrances to exist on the Premises except current taxes and this Mortgage without the prior written consent of the MORTGAGEE.

b. MORTGAGOR will make no removal, alterations or additions to the buildings, improvements, and fixtures without the written approval of the MORTGAGEE.

c. The MORTGAGOR will pay, when due, all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions levied upon the Premises, and will promptly deliver the official receipts therefor to the MORTGAGEE.

d. The MORTGAGOR will comply fully and promptly with all governmental laws, rules, regulations, and ordinances which are now or may hereafter become applicable to the Premises.

e. The MORTGAGOR will take reasonable care of the Premises, and will maintain the Premises in as good repair and condition as the date of this Mortgage or as improved, ordinary wear and tear alone excepted. The MORTGAGOR will not commit or permit any waste and will not do any act which would unduly impair or depreciate the value of the Premises as security for this Mortgage, including alteration, removal or demolishing the premises or any part of them without the prior written consent of the MORTGAGEE.

f. The MORTGAGOR will insure the Premises and, until the debt secured by this Mortgage has been

paid in full, will keep the Premises insured against damage by fire, explosion, wind storm and other hazards as the MORTGAGEE may reasonably require, in an amount and with a company or companies satisfactory to the MORTGAGEE. All such insurance policies shall be written in the name of the MORTGAGOR with the loss payable to the MORTGAGEE as her interest may appear and such policies and paid premium receipts shall be delivered to and remain in the custody of the MORTGAGEE. In the event of loss, MORTGAGOR will give immediate notice in writing to the MORTGAGEE, who may make proof of loss, if not made promptly by the MORTGAGOR, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the MORTGAGEE, instead of to the MORTGAGOR and MORTGAGEE jointly. Unless the MORTGAGEE and MORTGAGOR otherwise agree in writing, insurance proceeds shall be applied for restoration or repair of the buildings, fixtures or improvements damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If the MORTGAGEE reasonably determines that such restoration or repair is not economically feasible or that 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 the MORTGAGOR. If the Premises is abandoned by the MORTGAGOR or if the MORTGAGOR fails to respond to the MORTGAGEE within 30 days after notice by the MORTGAGEE to the MORTGAGOR that the insurance company offers to settle a claim for insurance benefits, the MORTGAGEE is authorized to collect and apply the insurance proceeds at the MORTGAGEE'S option either to restoration or repair of the damaged buildings, fixtures or improvements or to the sums secured by this Mortgage. In the event of foreclosure of the Mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured by this Mortgage, all right, title, and interest of the MORTGAGOR in and to any insurance policies then in force shall pass to the purchaser or grantee.

g. The MORTGAGOR shall pay to the MORTGAGEE, upon request, such amounts at such times as the MORTGAGEE may reasonably request to be held in escrow and disbursed by the MORTGAGEE for the payment of existing taxes, future taxes, insurance premiums, and other charges, liens or assessments covering the Premises. MORTGAGOR shall forward or cause to be forwarded to MORTGAGEE a copy of all statements for real estate taxes on the Real Estate payable to MORTGAGOR, as received, and MORTGAGOR shall pay monthly to MORTGAGEE, the sum of \$ _____ to be held in escrow by MORTGAGEE for payment of said real estate taxes. Said payments shall be due and payable simultaneously with the monthly principal and interest payments due under the Promissory Note secured by this mortgage.

6. Payment of Taxes and Other Charges by MORTGAGEE. If defaults made in the payment of any taxes, assessments, any insurance premium, or any other charges promptly upon the day or days when they first become due and payable, or if the MORTGAGOR fails to keep the Premises in good repair, the MORTGAGEE without prejudice to and in addition to all other remedies hereunder, may pay such taxes, assessments, insurance premiums, and charges and may make such repairs as in her discretion she may

deem necessary properly to preserve her security, and any sums so paid shall be a further lien on the Premises under this Mortgage, payable immediately, with interest at the rate of four percent (4%) per annum until paid.

7. **Eminent Domain.** If the Premises, or any part thereof, are taken or condemned for public or quasi-public purposes by proper authorities, the MORTGAGOR will have no claim against the award until the indebtedness secured by the Mortgage is paid in full. All of the MORTGAGOR'S rights to damages in the event of public taking or condemnation are hereby assigned to the MORTGAGEE to the extent of any indebtedness that then remains unpaid. The MORTGAGOR may, however, appeal any such award to the court(s) of competent jurisdiction.

8. **Junior Liens.** Any person, firm or corporation taking or acquiring a junior mortgage or other lien upon the Premises, shall take or acquire and shall hold said lien subject to the rights of the MORTGAGEE to extend the maturity of the indebtedness secured by the Mortgage and to increase the indebtedness secured by this Mortgage without obtaining the consent of the holder of said junior lien and without the lien of the Mortgage losing its priority over any such junior lien. Any proceeding instituted on any such junior mortgage or lien shall constitute a default under this Mortgage.

9. **Supplemental Notes.** When requested by the MORTGAGEE, the MORTGAGOR shall execute and deliver supplemental note or notes for the sum or sums advanced by the MORTGAGEE for the alteration, modernization, improvement, maintenance, or repair of the Premises, and for any other purpose. Said note or notes shall be secured by this Mortgage on a parity with and as fully as if the advance evidenced by said note or notes were included in the Note first described above. Said supplemental note or notes will bear interest at the prevailing rate of interest for the mortgage borrowing as of the date said supplemental note is made, but in no event less than the interest established on the Note first described above, and shall be payable in approximately equal monthly payments for such period as may be agreed upon, but in no event will the maturity extend beyond the ultimate maturity of the Note first described above unless specifically agreed to in writing by the MORTGAGEE.

10. **Default.** Default under this Mortgage will result on the occurrence of any specific condition of default specified in this Mortgage or in any related document, or in the event of failure by the MORTGAGOR to keep, observe, or perform any of the conditions, obligations, or covenants imposed on the MORTGAGOR by this Mortgage or by any related document. In the event of default the MORTGAGEE may exercise her rights and remedies under this Mortgage and available at law. Forbearance by the MORTGAGEE in any default of the MORTGAGOR will not impair the rights or options of the MORTGAGEE in the event of any subsequent default. The death, dissolution, liquidation, termination of existence, insolvency, appointment of a receiver of, or assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law by or against, the MORTGAGOR or any guarantor or surety on the

indebtedness secured by this Mortgage shall be conditions of default under this Mortgage.

11. **Default on Other Indebtedness.** Default by the MORTGAGOR on any condition or provision of any indebtedness of the MORTGAGOR to person(s) other than the MORTGAGEE, which indebtedness is secured by liens either prior or junior to the lien of this Mortgage, will constitute a default under the Mortgage. The MORTGAGEE may cure any such default under such indebtedness. The costs of curing any such default paid by the MORTGAGEE will be added to the indebtedness secured by this Mortgage.

12. **Acceleration.** In the event of any default of any provision of this Mortgage or any related document, all of the remainder of the indebtedness secured by this Mortgage together with accrued interest, and all sums payable pursuant to the provisions of this Mortgage, shall at the option of the MORTGAGEE become immediately due and payable, without notice, and the MORTGAGEE may foreclose this Mortgage, anything in this Mortgage or in any related document to the contrary notwithstanding, and any failure to exercise said option will not constitute a waiver of the right to exercise the same at any future time.

13. **MORTGAGOR'S Right to Reinstate.** Notwithstanding the MORTGAGEE'S acceleration of the sums secured by this Mortgage, the MORTGAGOR may have any proceedings begun by the MORTGAGEE to foreclose this Mortgage discontinued at any time prior to entry of a judgment if all of the following conditions are met: (a) the MORTGAGOR pays MORTGAGEE all sums which would be then due under this Mortgage, the Note and notes securing future advances, if any, had not acceleration occurred; (b) the MORTGAGOR cures all breaches of any other covenants or agreements of the MORTGAGOR under this Mortgage or related documents; (c) the MORTGAGOR pays all reasonable expenses incurred by the MORTGAGEE in enforcing the covenants and agreements of the MORTGAGOR contained in this Mortgage and in enforcing the MORTGAGEE'S remedies provided herein, including, but not limited to, reasonable attorney's fees; and (d) the MORTGAGOR takes such action as the MORTGAGEE may reasonably require to assure that the lien of this Mortgage, the MORTGAGEE'S interest in the Premises, and the MORTGAGOR'S obligation to pay the sums secured by this Mortgage shall continue unimpaired. When such conditions are met by the MORTGAGOR, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

14. **MORTGAGEE'S Costs.** If the MORTGAGEE is required to take any extraordinary actions to collect, enforce, or foreclose this Mortgage or said Note, then any sums necessarily expended by the MORTGAGEE for proof of title to the real estate, attorneys' fees, court costs, and all other proper costs and expenses related to such collection, enforcement, or foreclosure, together with interest thereon at the rate of four percent (4%) per annum from the date of payment, shall become a part of the debt secured by this Mortgage and shall be collectible as such.

15. **Time of the Essence.** Time is of the essence of this Mortgage and the waiver of any rights or options, or any obligations secured by this Mortgage, will not at any time thereafter be deemed an abandonment of the rights and options of the MORTGAGEE. Notice of the exercise of any option granted to the MORTGAGEE by this Mortgage or by any related document is not required to be given. All sums payable under this Mortgage or any related documents shall be made without relief from valuation and appraisal laws.

16. **Continuing Covenants.** All terms, conditions, and covenants contained in this Mortgage and in the related documents shall run with the land and shall bind the successor in interest of the MORTGAGOR. The taking of possession or control of the Premises by any person shall constitute evidence of his agreement to be bound by said terms, conditions, and covenants and the acceptance of any title interest in the realty shall render any person, firm or corporation personally liable to perform the terms of this Mortgage and of the related documents and pay all indebtedness secured thereby.

17. **Successors in Interest.** The provisions of this Mortgage and of the related documents shall bind, and the benefits and advantages thereof shall inure to the benefit of, the successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, and plural the singular, and the use of any gender shall include all genders as appropriate in the context.

18. **Releases in Accordance with Schedule; Treatment of Release Price.** The MORTGAGEE shall from time to time, within ten (10) days of written request, execute, acknowledge and deliver to the MORTGAGOR releases on portions of the mortgaged premises in accordance with the Release Schedule set forth in Exhibit B, attached hereto and made a part hereof, subject to the satisfaction of the following terms and conditions and upon payment of the considerations provided in said Schedule;

a. That the MORTGAGOR shall not be in default in any of the terms, covenants, and conditions of the note and mortgage.

b. Each payment for a release, exclusive of accrued interest thereon, shall be credited on account of the principal indebtedness secured by the mortgage, and shall be further credited on account of the amortization payments due and to become due according to the note. Concurrently with such payment, the owner of the mortgaged premises shall also pay the MORTGAGEE the interest on the amount paid for such release for each portion of the mortgaged premises being released, computed from the last day to which interest shall have been paid up to the date of such payment.

c. All instruments of release or satisfaction shall be prepared by the attorney for the MORTGAGEE. Said releases shall be the usual statutory form, duly executed, and acknowledged. Title company descriptions shall be furnished for the parcels sought to be released.

