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CHG EVANS FINANCIAL CORP.  
1000 Earlywood Dr, P.O. Box 26, Franklin, IN 46131

201: CPO

# Mortgage

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THIS MORTGAGE is made this 17th day of April 19 80 between the Mortgagor, DAVID R. DUFFALA (MARRIED) and CHERYL A. DUFFALA (HIS WIFE) whose address is 1392 Huseman Street, Cedar Lake, Indiana 46303 (herein "Borrower"), and the Mortgagee, Evans Financial Corporation, a Washington corporation, with offices at 1000 Earlywoods Drive, Franklin, Indiana 46131 (herein "Lender").

Whereas, Borrower and Lender have executed a Construction Loan Agreement of even date (herein "Agreement") under which Lender has made to Borrower a loan in the principal amount of SIXTY FOUR THOUSAND THREE HUNDRED DOLLARS AND NO CENTS ( \$ 64,300.00 ) ("Loan Amount") for the express purpose of performing certain work on the mortgaged premises described below; and

Whereas, in connection with the Agreement and pursuant to its terms, Borrower has executed a Note (herein "Note") of even date in the Loan Amount payable to the Lender whereby the Borrower obligated itself to pay to the Lender the amounts so advanced, plus interest therein stated as follows: On the first day of December 19 80, and on the first day of each succeeding month thereafter until May 1, 1981 interest on the daily balances of the Loan Amount outstanding (amounts disbursed) during the prior month; and thereafter on June 1, 1981

a final payment in an amount equal to the sum of the following: outstanding balance of the Loan Amount, interest on the daily balances of the Loan Amount outstanding the prior month and on the daily balances of the Loan Amount outstanding during the period commencing from the date of first disbursement to November 1, 1980

To secure to Lender (a) the repayment of the indebtedness evidenced by the Note with interest thereon as set forth in the Note, any extensions and/or renewals or modifications of such Note, 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 the Borrower herein contained and contained in the Agreement, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 22 hereof, herein "Future Advances", Borrower does hereby mortgage, grant, and convey to Lender, the following described property located in the County of Lake and the State of Indiana

Lot 3, South Grove Acres, as shown in Plat Book 50, page 93, in Lake County, Indiana.



STATE OF INDIANA S. NO  
LAKE COUNTY  
MAY 7 9 14  
WILLIAM HILL  
RECORDED

Together with all the improvements now or hereafter erected on the property and all easements, rents, royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the mortgage premises, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions approved by Lender in writing.

### UNIFORM COVENANTS, Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower 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. Funds for Taxes and Insurance. Subject to Lender's option under Paragraphs 4 and 5 hereof, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attach priority over this Mortgage, plus one-twelfth of the yearly premium installments for hazard insurance, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Lender shall hold the Funds in an account which is insured by a Federal or State agency and shall apply the funds from said account to pay said taxes, assessments, and insurance premiums. Lender shall make no charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made, Lender shall not be required to pay Borrower any interest on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds, interest, if any, paid to Borrower on the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.
- If the amount of Funds held by Lender, together with the future monthly installments of funds payable prior to the due dates of taxes, assessments, and insurance premiums shall exceed the amount required to pay said taxes, assessments and insurance premiums as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, and insurance premiums as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days after notice from Lender to Borrower requesting payment thereof.
- Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender.

CHICAGO TITLE INSURANCE COMPANY

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If under Paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under Paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

4. **Charges, Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, at Lender's option in the manner provided under Paragraph 2 hereof or by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided that the Borrower shall not be required to discharge any such lien so long as Borrower 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 thereof.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard Mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices, the policies and any renewals thereof and all receipts of paid premiums. In the event of loss, Borrower shall give promptly notice to the insurance carrier and Lender, and Lender may make proof of loss if not made promptly by Borrower.

In the event of a loss, the amounts collected shall be payable to the Lender and at the option of the Lender may be used in any one or more of the following ways: (1) applied upon the indebtedness secured hereby whether such indebtedness be matured or unmatured; (2) used to fulfill any of the covenants contained herein as the Lender may determine; (3) used to replace or restore the Property to a condition satisfactory to Lender; or (4) release the same to the Borrower. Such application of proceeds to the indebtedness shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1 hereof or change the amount of such installments. If under Paragraph 17 hereof the Property is acquired by Lender, all right, title and interest of Borrower 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 sum secured by this Mortgage immediately prior to such sale or acquisition.

6. **Preservation and Maintenance of Property.** Borrower shall keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property and shall comply with any restrictions affecting the Property.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this Paragraph 7 with interest thereon shall become additional indebtedness of Borrower secured by this Mortgage to the extent permitted by applicable law. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate of 10% unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible by applicable law. Nothing contained in the Paragraph 7 shall require Lender to incur any expense or do any act hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property.

9. **Condemnation.** Borrower agrees that all awards heretofore or hereafter made by any public or quasi-public authority to the present and all subsequent owners of the Property covered by this Mortgage by virtue of an exercise of the right of eminent domain by such authority, including any award for taking of title, possession or right of access to a public way, or for any change of grade of streets affecting said Property, are hereby assigned to the Lender; and the Lender at its option is hereby authorized, directed and empowered to collect and receive the proceeds of any such award or awards from the authorities making the same and to give proper receipts and acquittances therefore, and may, at the Lender's election, use such proceeds in any one or more of the following ways: (1) apply the same or any part thereof upon the indebtedness secured hereby, whether such indebtedness then be matured or unmatured; (2) use the same or any part thereof to fulfill any of the covenants contained herein as the Lender may determine; (3) use the same or any part thereof to replace or restore the Property to a condition satisfactory to the Lender; or (4) release the same to the Borrower; and the Borrower hereby covenants and agrees to and with the Lender, upon request by the Lender, to make, execute, and deliver any and all assignments and other instruments sufficient for the purpose of assigning all such awards to the Lender free, clear, and discharged of any and all encumbrances of any kind or nature whatsoever. The application of such proceeds to the indebtedness shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1 hereof or change the amount of such installments.

10. **Borrower Not Released.** Extension of the time for payment or modification or amortization of the sum secured by this Mortgage granted by Lender to Borrower or to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor, to refuse to or to extend time for payment, or otherwise to modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest.

11. **Forebearance 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 right or remedy hereunder. 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 Borrower. All covenants and agreements of Borrower 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. In the event the ownership of the Property or any part thereof becomes vested in a person other than the Borrower, the Lender may deal with such successor or successors in interest with reference to this Mortgage and the indebtedness hereby secured in the same manner as with the Borrower without in any manner vitiating or discharging the Borrower's liability hereunder or upon the indebtedness hereby secured; and in the alternative, at the option of the Lender, Lender may declare that the unpaid balance of the indebtedness is immediately due and payable.

14. **Notice.** Any notice from Lender to Borrower provided for in this Mortgage shall be by certified mail to Borrower at the Property address stated below or at such address as Borrower may designate to Lender by certified mail to Lender's address, except for any notice given to Borrower in the manner prescribed by applicable law as provided in Paragraph 17 of this Mortgage.

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15. Uniform Mortgage: Governing Law: Severability. This form of Mortgage combines uniform covenants for national use and nonuniform 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 jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with the applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of this Mortgage at the time of execution or after recordation hereof.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Acceleration: Remedies. Upon Borrower's breach of any covenant and agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty days from the date the notice is mailed to Borrower, 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 and sale of the Property. If the breach is not cured on or before the date specified in the notice, Lender 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 attorney's fees permitted by applicable law, and costs of documentary evidence, abstracts and title reports.

18. Borrower's Right to Reinstatement. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of the Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents: Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 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 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 attorney's fees permitted by applicable law, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

21. Waiver of Valuation and Appraisal. Borrower hereby waives all right of valuation and appraisal.

22. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to release of this Mortgage, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby.

23. Borrower's Mailing Address. If an address is entered after Borrower's name on the first page hereof, notices from Lender to Borrower which, pursuant to paragraph 14 hereof, would be mailed to the Borrower at the Property Address, may at the option of Lender, be mailed to such Borrower's address.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

*David R. Duffala* (SEAL)  
DAVID R. DUFFALA Borrower  
*Cheryl A. Duffala* (SEAL)  
CHERYL A. DUFFALA Borrower

STATE OF INDIANA, County of Lake ss:  
Before me, the undersigned, a Notary Public in and for said County, this 2nd day of May, 19 80, came David R. Duffala and Cheryl A. Duffala and acknowledged the execution of the foregoing instrument.

*Pamela Ann Olis*  
Notary Public  
Pamela Ann Olis

Witness my hand and official seal.  
My commission expires: July 18, 1983  
Resident of Lake County, Indiana



← Place Notary Seal Here

This instrument was prepared by: Michele Trisler of Evans Financial Corp.  
1000 Earlywood Drive  
Franklin, Indiana 46131

EFC-14-IN-4/79

RETURN ORIGINAL TO EVANS FINANCIAL CORP.  
BORROWER RETAINS COPY