

Bank of Highland  
2611 Highway Ave, Highland

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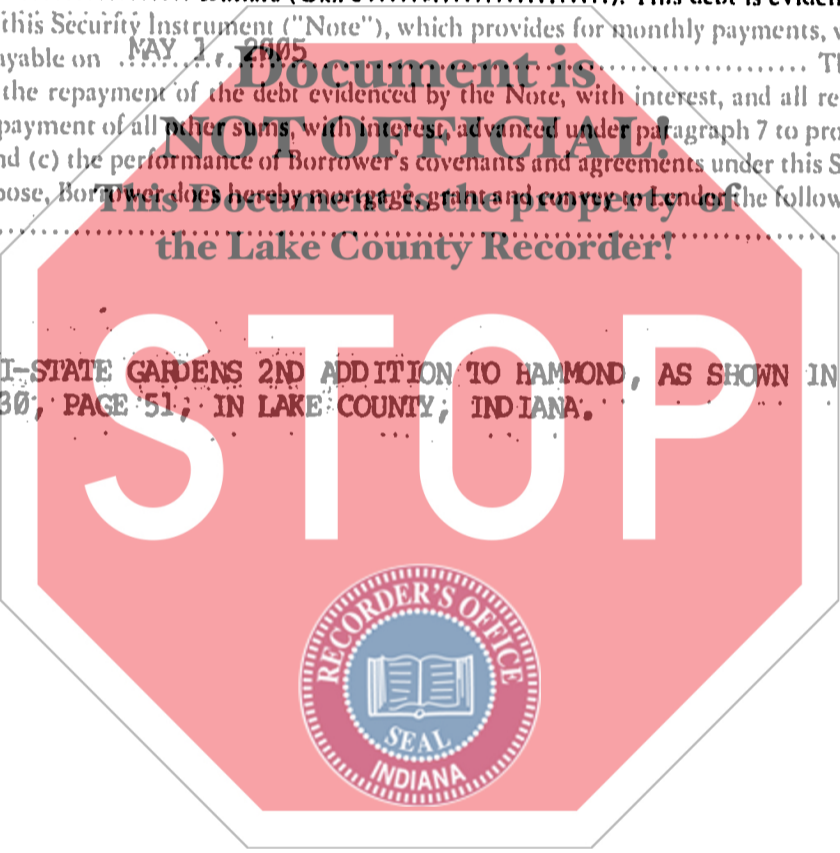
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# MORTGAGE

BANK OF HIGHLAND/FM  
LOAN NO. 201775

CHICAGO TITLE INSURANCE COMPANY  
INDIANA DIVISION

THIS MORTGAGE ("Security Instrument") is given on APRIL 5,  
 1997. The mortgagor DEMETER ALLEN KIRINCIC AND KAREN B. KIRINCIC,  
HUSBAND AND WIFE ("Borrower"). This Security Instrument is given to  
BANK OF HIGHLAND, which is organized and existing  
 under the laws of THE STATE OF INDIANA, and whose address is 2611 HIGHWAY AVENUE,  
HIGHLAND, IN 46322 ("Lender").  
 Borrower owes Lender the principal sum of THIRTY THOUSAND AND NO/100  
 \*\*\*\*\* Dollars (U.S. \$ 30,000.00). This debt is evidenced by Borrower's note  
 dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not  
 paid earlier, due and payable on MAY 1, 2005. This Security Instrument  
 secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and  
 modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this  
 Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and  
 the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property  
 located in LAKE County, Indiana:



LOT 23, TRI-STATE GARDENS 2ND ADDITION TO HAMMOND, AS SHOWN IN  
 PLAT BOOK 30, PAGE 51, IN LAKE COUNTY, INDIANA.

STATE OF INDIANA/S.S. NO.  
 LAKE COUNTY  
 FILED FOR RECORD  
 APR 10 1 06 PM '90  
 ROBERT WOOD FREELAND  
 RECORDER

which has the address of 7507 BERTRAM HAMMOND  
 [Street] [City]  
 Indiana 46324 ("Property Address");  
 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument 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 and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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UNIFORM COVENANTS, INTEREST AND SECURITY INSTRUMENT AND AGREEMENT TO BORROW

Article 1. Purpose of this instrument and interest. The purpose of this instrument is to provide for the payment and collection of the principal of and interest on the loan evidenced by the Note and for the payment of the principal of and interest on the loan evidenced by the Note and for the payment of the principal of and interest on the loan evidenced by the Note...

Section 2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraph 1 shall be applied first, to late charges due under the Note, second, to principal due under the Note, third, to amounts payable under paragraph 4, fourth, to interest due, and last, to principal due.

Section 3. Charges and Liens. Borrower shall pay to Lender all taxes, fees and assessments, including but not limited to property taxes, which are levied or assessed against the Property or any part of the Property...

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Section 4. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, lightning and extended coverage, and shall obtain the amount and type of insurance required by Lender. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval, which shall not be unreasonably withheld.

Section 5. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly file to Lender all notices of past premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Section 6. Unless Lender and Borrower otherwise agree in writing, distance proceeds shall be applied to repair or replacement of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not jeopardized. If the restoration or repair is not economically feasible or Lender's security would be jeopardized, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not the a due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the proceeds are being offered in satisfaction of a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or replace the Property or to pay sums secured by this Security Instrument, whether or not the due. The notice given to Borrower shall be the notice given.

Section 7. Unless Lender and Borrower otherwise agree in writing, any application or payment to postpone or suspend the performance of the obligations of the Security Instrument shall be subject to Lender's approval, which shall not be unreasonably withheld. Lender may, at its option, postpone the due date of the monthly payments referred to in paragraph 1 and suspend the performance of the obligations of the Security Instrument under paragraph 1 if the Property is acquired by Lender. Borrower shall give prompt notice to Lender of any damage to the Property, prior to the repair or replacement of the Property, and shall give prompt notice to Lender of any damage to the Property in a written form filed prior to the acquisition.

Section 8. Preservation and Maintenance of Property. Borrower shall maintain the Property in good repair and shall keep the Property in a state of good repair and shall keep the Property in a state of good repair and shall keep the Property in a state of good repair...

Section 9. Protection of Lender's Rights in the Property. Mortgage Insurance. If Borrower fails to pay for the mortgage insurance and premiums explained in this Security Instrument, or if there is a loss of the property, Lender may, at its option, require Borrower to pay for the mortgage insurance and premiums explained in this Security Instrument, or if there is a loss of the property, Lender may, at its option, require Borrower to pay for the mortgage insurance and premiums explained in this Security Instrument...

Section 10. Any amounts disbursed by Lender under this paragraph shall become a debt of Borrower to Lender and shall be secured by this Security Instrument. Unless Borrower and Lender 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 Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as a requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**8. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**10. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**12. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

**13. Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

**14. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument; However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender 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' fees, and then to the sums secured by this Security Instrument.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower.

22. Waiver of Valuation and Appraisalment. Borrower waives all right of valuation and appraisalment.

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Adjustable Rate Rider
- Graduated Payment Rider
- Other(s) [specify]
- Condominium Rider
- Planned Unit Development Rider
- 2-4 Family Rider

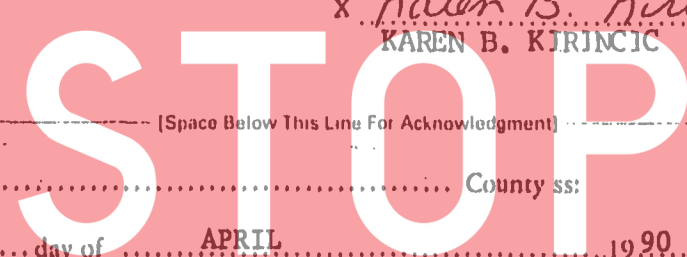
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

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x *Demeter Allen Kirincic* (Seal)  
DEMETER ALLEN KIRINCIC - Borrower

x *Karen B. Kirincic* (Seal)  
KAREN B. KIRINCIC - Borrower



[Space Below This Line For Acknowledgment]

STATE OF INDIANA, LAKE County ss:

On this 5TH day of APRIL, 1990, before me, the undersigned, a Notary Public in and for said County, personally appeared DEMETER ALLEN KIRINCIC AND KAREN B. KIRINCIC HUSBAND AND WIFE and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official seal.

My Commission expires: 10-28-91  
COUNTY OF RESIDENCE: LAKE



*Juan M. Kucsera*  
Notary Public JEAN M. KUCSERA

This instrument was prepared by: FRED TRIEZENBERG, VICE PRESIDENT (name)