

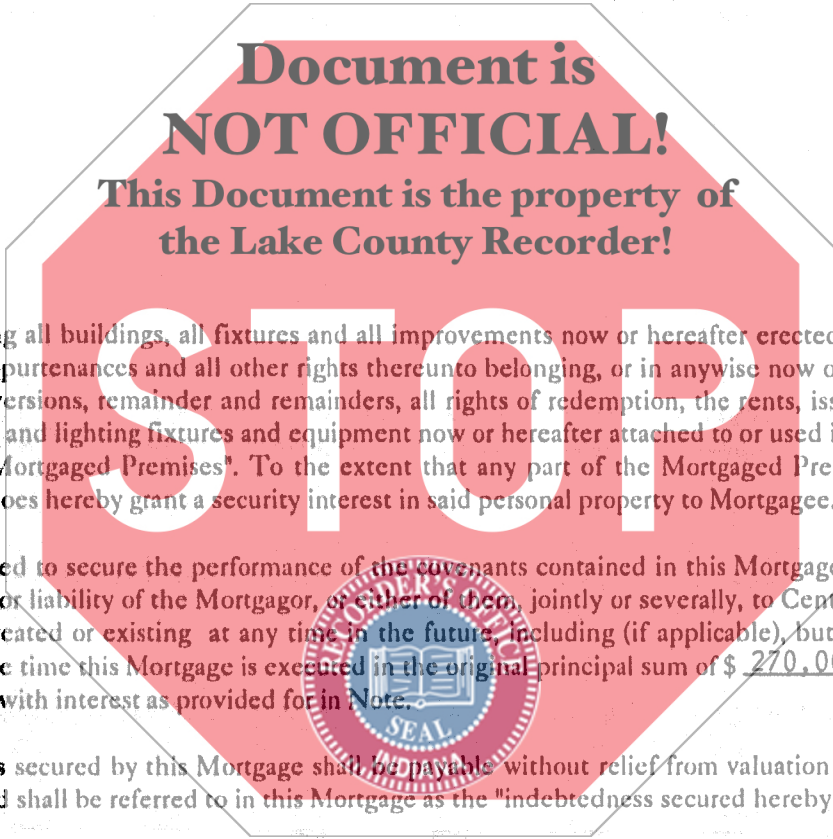
**INDEMNIFYING REAL ESTATE MORTGAGE**

THIS MORTGAGE, made and entered into this 31ST day of AUGUST, 1995.

WITNESSETH, That THOMAS W. DEROLF

hereinafter called "Mortgagor", MORTGAGES AND WARRANTS TO Centier Bank hereinafter, with its successors and assigns, called "Mortgagee", the property situated in the County of LAKE and the State of INDIANA, legally described as follows to wit:

LOT 1, DOAN'S ADDITION TO HIGHLAND, IN THE TOWN OF HIGHLAND, AS SHOWN IN PLAT BOOK 29, PAGE 46, IN LAKE COUNTY, INDIANA.



95052586

Chicago Title Insurance Company  
LAKE COUNTY

Together with including all buildings, all fixtures and all improvements now or hereafter erected thereon, together with the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise now or hereafter appertaining and the reversion and reversions, remainder and remainders, all rights of redemption, the rents, issues and profits thereof, and all plumbing, heating and lighting fixtures and equipment now or hereafter attached to or used in connection therewith, herein after called the "Mortgaged Premises". To the extent that any part of the Mortgaged Premises includes personal property, the Mortgagor does hereby grant a security interest in said personal property to Mortgagee.

This Mortgage is granted to secure the performance of the covenants contained in this Mortgage and to secure the payment of all indebtedness or liability of the Mortgagor, or either of them, jointly or severally, to Centier Bank, which may be existing at this time or created or existing at any time in the future, including (if applicable), but not limited to, a promissory note executed at the time this Mortgage is executed in the original principal sum of \$ 270,000.00 (hereinafter the "Note"), with interest as provided for in Note.

All of the indebtedness secured by this Mortgage shall be payable without relief from valuation and appraisalment laws, and with attorney fees and shall be referred to in this Mortgage as the "indebtedness secured hereby".

The Mortgagor does hereby covenant and agree to and with the Mortgagee, as follows:

1. That the Mortgagor will pay the Mortgagee all indebtedness secured hereby in accordance with the terms of any note or obligation evidencing same and the provisions hereof.
2. That the Mortgagor will pay all taxes, assessments and other governmental charges levied against or affecting the Mortgaged Premises before any penalty for non-payment attached thereto, and all levies, tax levies or liens which may be made or placed against the Mortgaged Premises which might in any way affect the security of any part thereof.
3. That the Mortgagor will abstain from the commission of waste on the Mortgaged Premises and keep the buildings and improvements thereon in good repair, and promptly comply with all laws, ordinances, regulations and requirements of any governmental authority affecting the Mortgaged Premises, and should the Mortgaged Premises or any part thereof require inspection, repair, care or attention of any kind or nature not provided by the Mortgagor, the Mortgagee, being made sole judge of the necessity therefor, may, without obligation to do so, after notice to the Mortgagor, enter or cause entry to

21.2  
CT

be made upon the Mortgaged Premises, and inspect, repair, protect, care for or maintain the Mortgaged Premises to the extent that the Mortgagee may deem necessary; and may pay such sum of money as the Mortgagee may deem to be necessary therefor, and it shall be the sole judge of the amount necessary to be paid. Waste, for the purposes hereof, shall include but not be limited to, the failure of the Mortgagor to pay the taxes, assessments or insurance premiums required to be paid under the terms hereof.

4. The Mortgagor will keep all buildings and improvements now or hereafter placed on the Mortgaged Premises insured against loss and damage by fire and other hazards, casualties, and contingencies with insurers, and in the amount and manner approved by the Mortgagee, with insurance money in case of loss made payable by the policies to the Mortgagee as its mortgage interest may appear, and deliver all such policies to the Mortgagee with premiums fully prepaid.

5. That if default be made in the payment of any taxes, assessments or other governmental charges assessed against the Mortgaged Premises, or in the payment of levies or tax liens made or levied against the Mortgaged Premises, or in procuring and maintaining insurance required to be maintained on said Mortgaged Premises or paying the premiums therefor, or in keeping the buildings and improvements in good repair, or in providing for the repair, care or attention of the Mortgaged Premises, or complying with the laws, ordinances, regulations and requirements of any governmental body affecting the Mortgaged Premises, or in keeping any other agreement herein contained, the Mortgagee may pay said taxes, assessments and other governmental charges affecting the Mortgaged Premises, may effect such insurance and pay the premiums therefor, make or cause such necessary repairs, care or attention to be given the Mortgaged Premises, may procure abstracts, title searches and tax histories and may cause any one or more of them to be extended from time to time, and the moneys paid for any one or more or all of said purposes shall from the time of payment be due and payable to the Mortgagee with interest thereon at the per annum rate in effect on the Note at the time an advance is made under this paragraph and shall become part of the indebtedness secured hereby.

6. Should any right, title or interest in the Mortgaged Premises or any part thereof at any time be superior to the right, title and interest of the Mortgagee, or should any tax lien be made or levied against the Mortgaged Premises for delinquent taxes of any kind or nature, or if any breach of warranty with respect to the Mortgage shall at any time exist, or should default be made in the prompt and punctual payment of any of the indebtedness secured hereby, or in the performance of any of the covenants or agreements herein contained, or contained in any other agreement with Mortgagee, and should such default continue for thirty (30) days, all of the indebtedness secured hereby shall, at the option of the Mortgagee and without notice, become and be due and payable immediately, notwithstanding any provision of the Note or this Mortgage to the contrary. The commencement by the Mortgagee of proceedings to foreclose this Mortgage in any manner authorized by law shall be deemed an exercise of said option unless such proceedings on their face indicate otherwise.

7. That in the event of the occurrence of any one or more of the events mentioned in paragraph six hereof, it shall be lawful for the Mortgagee, and it is hereby authorized and empowered, to sell or cause to be sold the Mortgaged Premises pursuant to the statute in such case made and provided, and out of the proceeds of said sale to retain all sums then due and payable under terms of any note or obligation evidencing the indebtedness hereby secured and under the terms hereof. The Mortgagor expressly agrees to pay the indebtedness hereby secured and Mortgagee's collection charge and attorneys fees without relief from valuation and appraisal laws.

8. In order to more fully protect the security of this Mortgage:

A. If requested by the Mortgagee, the Mortgagor will, at the time of closing, deposit with the Mortgagee an amount which, together with the payments specified in subparagraph B of this paragraph, will aggregate a sum sufficient to enable the Mortgagee to pay the real estate taxes and assessments that the Mortgagee estimates will be levied against the Mortgaged Premises during the ensuing tax year one (1) month before such taxes and assessments become delinquent, plus an amount which, together with the payments designated in subparagraph B of this paragraph, will aggregate a sum sufficient to enable the Mortgagee to pay the premiums on the fire and other hazard insurance required to be placed on the Mortgaged Premises one (1) month before the next premium becomes due.

B. In addition to the monthly payments required to be made upon the indebtedness secured hereby, the Mortgagor shall pay to the Mortgagee a sum equal to 1/12th of the amount of the annual real estate taxes and assessments from time to time estimated by the Mortgagee to be assessed against the Mortgaged Premises, plus an amount equal to 1/12th of the annual premiums from time to time required to maintain the fire and hazard insurance required to be placed on the Mortgaged Premises as estimated by the Mortgagee.

Subject to paragraph nine, all sums received by the Mortgagee pursuant to this paragraph or to paragraph nine hereof shall be held by the Mortgagee for the account of the Mortgagor and applied to the payment of said taxes, assessments and insurance premiums.

9. If the total payments made by the Mortgagor to the Mortgagee pursuant to the preceding paragraph for the purposes therein stated, shall exceed the amount at any time required for such purposes, such excess shall be retained by the Mortgagee to make subsequent payments for such purposes. If, however, the total of such payments shall at any time be insufficient to pay such taxes, assessments and insurance premiums when due, the Mortgagor shall, one (1) month prior to the due date thereof, pay to the Mortgagee such additional amount as may be necessary to make up such deficiency. All sums received by the Mortgagee under the preceding paragraph, and held by it at the time when the Mortgagor shall desire to pay the indebtedness secured hereby in full, may be applied by the Mortgagee upon such indebtedness. In the event the Mortgagee shall determine to foreclose this Mortgage, it may, in such event, apply all sums held by it for the payment of taxes, assessments and insurance premiums on the indebtedness secured hereby in any manner at its sole discretion.

10. No sale of the Mortgaged Premises, no forbearances on the part of the Mortgagee, and no extension of the time for the payment of the indebtedness hereby secured, given by Mortgagee, shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, nor shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law, or otherwise, of all or any part of the Mortgaged Premises, the Mortgagee is hereby authorized and empowered to deal with such vendee or transferee with reference to said transferred premises, or the indebtedness secured hereby, or with reference to any of the provisions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

11. That the Mortgagor will furnish to the Mortgagee

A. Within ninety (90) days after each fiscal year of the Mortgagor, a detailed report of the operations of the Mortgagor for such year, including a balance sheet and statements of profit and loss and surplus of the Mortgagor, unaudited, but certified as correct by an authorized representative of the Mortgagor.

B. Promptly, such other information as the Mortgagor may reasonably request.

12. **Transfer of the Property: Assumption.** If all or any part of the Mortgaged Premises or an interest therein is sold or transferred by the Mortgagor without the Mortgagee'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 equipment, (c) a 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 years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate if, prior to the sale or transfer, Mortgagee and the person to whom the Mortgaged Premises is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagee, and that the interest payable on the indebtedness secured by this Mortgage shall be at such rate as Mortgagee shall request. If Mortgagee has waived the option to accelerate provided in this paragraph, and if Mortgagor's successor in interest to the Mortgaged Premises has executed a written assumption agreement accepted in writing by Mortgagee shall release the original Mortgagor from all obligations under this Mortgage and the Note.

13. The Mortgagee may collect a "late charge", not to exceed the amount called for in the Note, if any installment is not paid within ten (10) days of the due date thereof, to cover the extra expense involved in handling delinquent payments, which late charge shall be due prior to the date of the succeeding installment.

14. It is further agreed that in case the Mortgagee shall be a party to any suit filed in any court by reason of its being the Mortgagee herein, or is at any time called upon to defend this Mortgage and its interest in and to the Mortgaged Premises under the terms of this Mortgage, the Mortgagor will pay unto the Mortgagee all expenses incurred by the Mortgagee, including a reasonable attorney fee, in so defending its interest in the Mortgaged Premises by reason of the Mortgage, in protecting the lien hereof, or in protecting itself in said suit.

The covenants, agreements and conditions herein contained shall bind, and the benefits and advantages hereof shall inure, to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the sin-

gular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders.

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

*Thomas W. Derolf*  
THOMAS W. DEROLF

STATE OF INDIANA

COUNTY OF LAKE

Before me, the undersigned, a Notary Public in and for said County and State, this \_\_\_\_\_ day of

\_\_\_\_\_, 19\_\_\_\_, came THOMAS W. DEROLF

and acknowledged the execution of the above and foregoing Mortgage.

WITNESS MY HAND and Official Seal

**Document is NOT OFFICIAL!**

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

*Lois M. Welch*

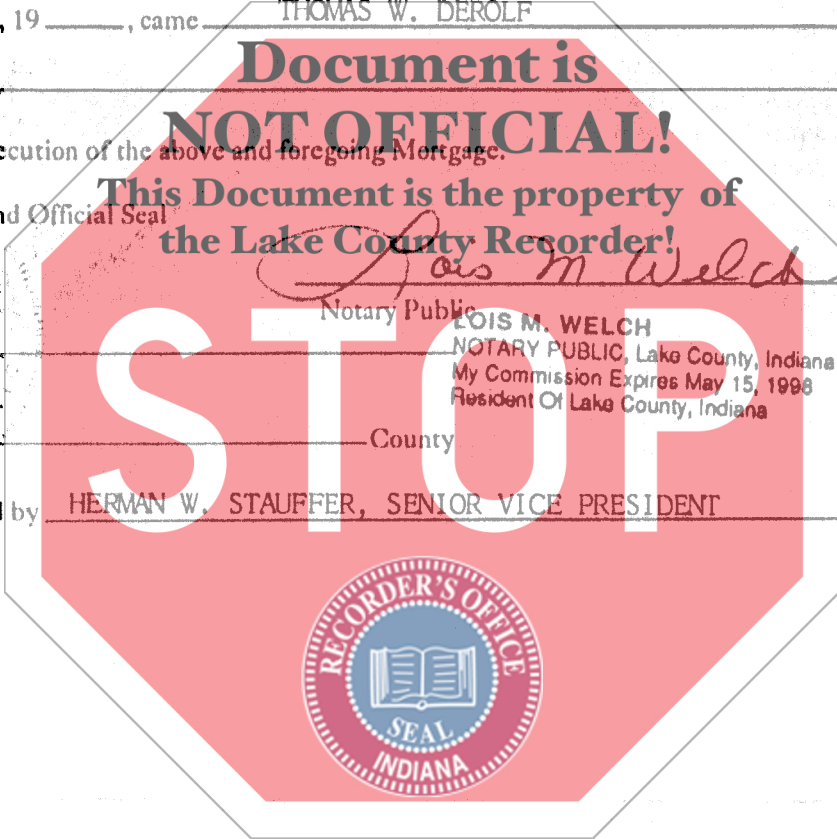
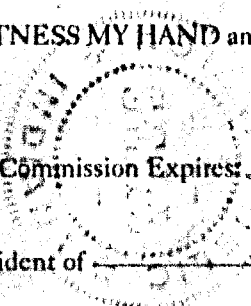
Notary Public

LOIS M. WELCH  
NOTARY PUBLIC, Lake County, Indiana  
My Commission Expires May 15, 1998  
Resident Of Lake County, Indiana

My Commission Expires \_\_\_\_\_

Resident of \_\_\_\_\_ County

This Instrument Prepared by HERMAN W. STAUFFER, SENIOR VICE PRESIDENT of Centier Bank.



### ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this ....31ST. day of .....AUGUST, 1995..... and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to ...THOMAS W. DEROLF..... (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

.....2740 - 40TH STREET, HIGHLAND, IN 46322.....

[Property Address]

**NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. INTEREST RATE AND SCHEDULED PAYMENT CHANGES**

The Note provides for an initial interest rate of .8375%..... The Note provides for changes in the interest rate and the payments, as follows:

**3. PAYMENTS**

**(A) Scheduled Payments**

All references in the Security Instrument to "monthly payments" are changed to "scheduled payments."

I will pay principal and interest by making payments when scheduled; (mark one):

I will make my scheduled payments on the first day of each month beginning on ..OCTOBER 1, 1995 AND MONTHLY THEREAFTER.....

I will make my scheduled payments as follows:

In addition to the payments described above, I will pay a "balloon payment" of \$ ..... on ..... The Note Holder will deliver or mail to me notice prior to maturity that the balloon payment is due. This notice will state the balloon payment amount and the date that it is due.

**(B) Maturity Date and Place of Payments**

I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described in the Note.

My scheduled payments will be applied to interest before principal. If, on ..SEPTEMBER 1, 2015....., I still owe amounts under the Note, I will pay those amounts in full on that date, which is called the "maturity date."

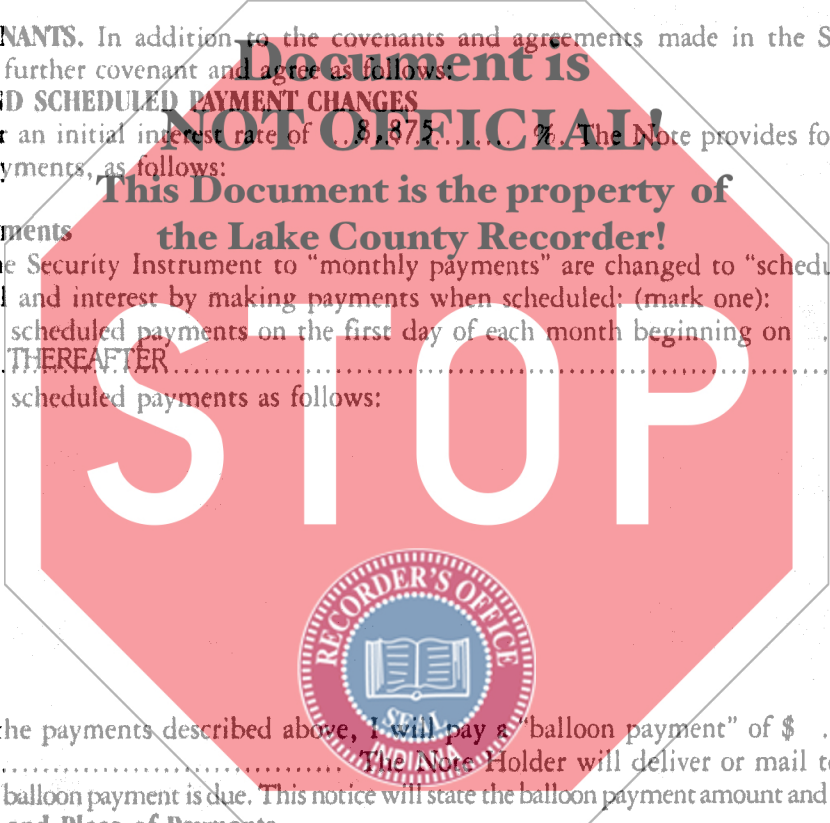
I will make my scheduled payments at ..5191 WEST LINCOLN HIGHWAY, CROWN POINT, IN 46307... or at a different place if required by the Note Holder.

**(C) Amount of My Initial Scheduled Payments**

Each of my initial scheduled payments will be in the amount of U.S. \$ 2,407.60..... This amount may change.

**(D) Scheduled Payment Changes**

Changes in my scheduled payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my scheduled payment in accordance with Section 4 of the Note.



**4. INTEREST RATE AND SCHEDULED PAYMENT CHANGES**

**(A) Change Dates**

Each date on which my interest rate could change is called a "Change Date." (Mark one)

The interest rate I will pay may change on the first day of SEPTEMBER, 1998 and on that day every 36TH month thereafter.

The interest rate I will pay may change ..... and on every ..... thereafter.

**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is: THE WEEKLY AVERAGE YIELD ON UNITED STATES TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF THREE YEARS

The most recent Index figure available as of the date  45 days  ..... before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by ADDING THREE AND THIRTY HUNDREDS percentage points (3.30 %) to the Current Index. The result of this calculation:

will not be rounded off.

will be rounded off by the Note Holder to the nearest .25 %.

will be rounded off by the Note Holder up to the nearest ..... %.

will be rounded off by the Note Holder down to the nearest ..... %.

Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate until the next change date.

The Note Holder will then determine the amount of the scheduled payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my scheduled payment.

**(D) Limits on Interest Rate Changes**

My interest rate will never be increased or decreased on any single change date by more than TWO (2) percentage points from the rate of interest I have been paying for the preceding period.

My interest rate will never be greater than 14.875 % or less than 6.875 %.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new scheduled payment beginning on the first scheduled payment date after the Change Date until the amount of my scheduled payment changes again.

**(F) Notice of Changes**

At least 25 days, but no more than 120 days, before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my scheduled payment. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. FUNDS FOR TAXES AND INSURANCE**

[Mark one]

Uniform Covenant 2 of the Security Instrument is waived by the Lender.

Uniform Covenant 2 of the Security Instrument is amended to read as follows:

**2. SCHEDULED PAYMENTS FOR TAXES AND INSURANCE**

**(A) Borrower's Obligations**

I will pay to Lender all amounts necessary to pay for taxes, assessments, leasehold payments or ground rents (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make those payments on the same day that my scheduled payments of principal and interest are due under the Note.

Each of my payments under this Paragraph 2 will be the sum of the following:

(i) The estimated yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument, divided by the number of scheduled payments in a year; plus,

(ii) The estimated yearly leasehold payments or ground rents on the Property, if any, divided by the number of scheduled payments in a year; plus



- (iii) The estimated yearly premium for hazard insurance covering the Property, divided by the number of scheduled payments in a year; plus
- (iv) The estimated yearly premium for mortgage insurance (if any), divided by the number of scheduled payments in a year.

Lender will estimate from time to time my yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the "escrow items." Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amounts that I pay to Lender for escrow items under this Paragraph 2 will be called the "Funds".

**(B) Lender's Obligations**

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Except as described in this Paragraph 2, Lender will use the Funds to pay the escrow items. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds, for using the Funds to pay escrow items, for analyzing my payments of Funds, or for receiving, verifying and totaling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the Funds; or (ii) the law requires Lender to pay interest on the Funds.

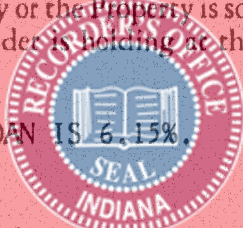
**(C) Adjustments to the Funds**

If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and agreements made in this Security Instrument, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future scheduled payments of Funds. There will be excess amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or keeping, plus (ii) the amount of the scheduled payments of Funds which I still must pay between that time and the due dates of escrow items is greater than the amount necessary to pay the escrow items when they are due.

If, when payments of escrow items are due, Lender has not received enough Funds to make those payments, I will pay to Lender whatever additional amount is necessary to pay the escrow items in full. I must pay that additional amount in one or more payments as Lender may require.

When I have paid all of the sums secured, Lender will promptly refund to me any Funds that are then being held by Lender. If, as a result of the exercise by Lender of any of its rights under this Security Instrument, either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, Lender will use any Funds which Lender is holding at the time to reduce the sums secured.

THE INITIAL INDEX VALUE FOR THIS LOAN IS 6.15%.



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

*Thomas W. Derolf* ..... (Seal)  
 THOMAS W. DEROLF ..... -Borrower  
 ..... (Seal)  
 ..... -Borrower