

MORTGAGE

THIS INSTRUMENT ("Mortgage") WITNESSES: That Nancy A. Samardzija

("Mortgagor"), in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby MORTGAGES and WARRANTS to Robert D. Chapman

("Mortgagee"), the real estate ("Real Estate") and property located in Lake County, State of Indiana, more particularly described as follows:

Legal description attached hereto and incorporated herein as Exhibit A.

Commonly known as: 315 E. 60th Drive, Merrillville, IN

96008472

together with all rights, title and interests of Mortgagor in and to: (i) All rights, privileges, interests, tenements, hereditaments, easements and appurtenances in any way now or hereafter pertaining to the Real Estate ("Easements"); (ii) All buildings and other improvements of every kind and description now or hereafter placed on the Real Estate, together with all fixtures, machinery and other articles of personal property now or hereafter attached to or regularly used in connection with the Real Estate, and replacements thereof ("Improvements"); (iii) All extensions, improvements, betterments, substitutes, replacements, renewals, additions and appurtenances of or to the Easements or Improvements ("Additions"); (iv) All rents, issues, proceeds, income and profits of the Real Estate, Easements, Improvements and Additions, including all payments made in connection with leases, subleases and other agreements affecting the Real Estate, Easements, Improvements or Additions ("Rents"); and (v) All awards, payments or proceeds of conversion, whether voluntary or involuntary, of any of the foregoing, including, without limitation, all insurance, condemnation and tort claims ("Proceeds"). (Hereinafter, the Real Estate, Easements, Improvements, Additions, Rents, and Proceeds are referred to together as the "Mortgaged Property").

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

96 FEB 7 1996
MARSHALL COUNTY RECORDS

This Mortgage is given to secure performance by Mortgagor of the covenants and agreements contained in this Mortgage and to secure payment of: (i) the principal of and interest on the indebtedness evidenced by a certain promissory note ("Note"), dated _____, 19____, executed and delivered by _____

Nancy A. Samardzija

(hereinafter referred to jointly and severally as "Borrower") to Mortgagee in the principal sum of Ten Thousand

Dollars (\$ 10,000.00), with the first payment due on 90 days upon demand and with interest computed on the unpaid balance from time to time at the rate(s) set forth therein, and any other amounts payable to Mortgagee pursuant to the terms and provisions of the Note ("Primary Debt"); (ii) all sums advanced and costs and expenses incurred by Mortgagee which are made or incurred pursuant to, or allowed by, the terms of this Mortgage, plus interest thereon at the rate of seven percent (7%) per annum ("Default Rate") from the date paid or incurred until reimbursement ("Advancements"); (iii) all costs of repossession, collection, disposition and reasonable attorneys' fees incurred by Mortgagee ("Costs"); (iv) all other indebtedness, obligations and liabilities of Borrower (and each of them, if more than one) to Mortgagee, now existing or hereafter arising, whether fixed or contingent, direct or indirect, primary or secondary, joint or several, and regardless of how created or evidenced ("Additional Liabilities"); and (v) any and all extensions or renewals of any of the foregoing indebtedness ("Extensions"). (Hereinafter, the Primary Debt, Advancements, Costs, Additional Liabilities and Extensions are referred together as the "Indebtedness.")

Mortgagor hereby further covenants with the Mortgagee as follows:

- 1. **Payment of Sums Due.** If Mortgagor is the Borrower (or one of them, if more than one), Mortgagor covenants and agrees to promptly pay the principal of and interest on the Primary Debt and the other Indebtedness, as and when the payment(s) thereof become due, all without relief from valuation and appraisal laws and with attorneys' fees.

19 00 13

2. **Care and Condition of Mortgaged Property.** Mortgagor shall (a) promptly repair, restore or rebuild the Mortgaged Property, or any portion thereof, which is damaged or destroyed; (b) keep the Mortgaged Property in good condition and repair, without waste, and free from encroachments and from mechanic's or materialman's lien or claims for lien not expressly subordinated to this Mortgage; (c) pay when due any indebtedness which may be secured by a lien or charge on the Mortgaged Property, whether or not superior to the lien of this mortgage; (d) comply with all requirements of law and covenants and restrictions of record applicable to the Mortgaged Property or its use; (e) permit no change in or alteration of the design, structural character or general nature of the Real Estate and the Improvements without Mortgagee's prior written consent (which consent shall not be withheld unreasonably); and (f) permit Mortgagee to enter upon and inspect the Mortgaged Property at all reasonable times.

3. **Warranties.** Mortgagor covenants and warrants that: (a) Mortgagor is lawfully seized of the Real Estate in fee simple, has valid and indefeasible title to the Mortgaged Property and has a good and legal right to convey and mortgage the Mortgaged Property; and (b) the Mortgaged Property is and will remain free from all liens and encumbrances except only mortgages and liens in favor of Mortgagee and any mortgage lien specifically identified in paragraph 17 of this Mortgage (a "Prior Mortgage Lien"), and Mortgagor will warrant and defend title to the Mortgaged Property against all claims made thereon.

4. **Insurance.** Mortgagor will keep the Mortgaged Property insured against loss by fire, extended casualty, vandalism, malicious mischief and such other hazards as reasonably may be required from time to time by Mortgagee for the benefit and protection of Mortgagee, including comprehensive and contractual liability insurance (together, the "Required Insurance"). The Required Insurance shall be written in forms, amounts, and by companies reasonably satisfactory to Mortgagee, and losses thereunder shall be payable to Mortgagee pursuant to standard noncontributing mortgage endorsements in favor of Mortgagee. Unless otherwise agreed by Mortgagee, all policies of Required Insurance, including additional and renewal policies, shall be deposited with and held by Mortgagee. Any monies received as payment for any loss under any of the Required Insurance paid over to Mortgagee may be applied, at the option of Mortgagee, either to the prepayment of any portion, as Mortgagee may select, of the Indebtedness, without premium, or to the reimbursement of Mortgagor for expenses incurred by Mortgagor in the restoration or repair of the Mortgaged Property. Proceeds paid or payable to Mortgagor of the Required Insurance shall be applied to restoration of the Mortgaged Property in such fashion as Mortgagee reasonably may require.

5. **Taxes.** Mortgagor will pay and discharge or cause to be paid and discharged when due, and before any penalty attaches, all taxes (including real and personal property taxes), general and special assessments, water and sewer rents or assessments, and all other governmental and municipal charges and impositions of any kind imposed upon or assessed against Mortgagor or the Mortgaged Property, or any part thereof, or arising in respect of the occupancy, use or possession thereof.

6. **Protection of Security by Mortgagee.** Mortgagee may, at Mortgagee's option, but without any duty or obligation of any sort to do so and without in any way waiving or relieving any default by Mortgagor, make any payment and perform any act required of Mortgagor by this Mortgage, including but not limited to, payment of insurance premiums, taxes, assessments, repair expenses and prior liens and encumbrances. All expenses so incurred, including reasonable attorneys' fees, and any other reasonable expenses incurred by Mortgagee to protect the Mortgaged Property shall constitute Advancements and shall be immediately due and payable by Mortgagor.

7. **Transfer of Mortgaged Property.** Mortgagor shall not, without the prior written consent of Mortgagee (which consent may be withheld without reasonable cause), lease, transfer, sell, contract to sell or in any way further encumber all or any part of the Mortgaged Property.

8. **Condemnation.** If all or any part of the Mortgaged Property, is taken or damaged pursuant to an exercise, or threat of exercise, of the power of eminent domain, the entire proceeds of the award or compensation payable in respect of the part so taken or damaged are hereby assigned to and shall be paid directly to Mortgagee. The proceeds of any award or compensation actually received by Mortgagee after deduction therefrom of all costs and expenses including reasonable attorneys' fees incurred by Mortgagee in connection with the taking, at Mortgagee's option, shall be applied, without premium, in part or entirely to payment of the Indebtedness or to restoration of the Mortgaged Property.

9. **Default and Acceleration.** Time is of the essence of this Mortgage. Upon the occurrence of any "Event of Default" (as hereinafter defined), and at any time thereafter, then, in any and every such case, the entire Indebtedness shall, at the option of Mortgagee, become immediately due and payable without any notice, presentment, demand, protest, notice of protest, or other notice of dishonor or demand of any kind, all of which are hereby expressly waived by Mortgagor, and Mortgagee shall have the right immediately to foreclose the mortgage lien created by this Mortgage against the Mortgaged Property, to enforce every other security interest created by this Mortgage and to institute any action, suit or other proceeding which Mortgagee may deem necessary or proper for the protection of its interests. The following shall each constitute an "Event of Default" for purposes of this Mortgage:

(a) Default: (i) in the payment when due of any of the Indebtedness, or (ii) in the performance any covenant or term of this Mortgage;

(b) Lease, sublease, assignment, sale, contracting for sale, transfer or encumbrance of all or any part of the Mortgaged Property, without Mortgagee's prior written consent;

(c) If Mortgagor or Borrower (or any one of them, if more than one) becomes the subject of an order for relief under the United States Bankruptcy Code, takes any action to obtain relief under the United States Bankruptcy Code, files an answer admitting bankruptcy or insolvency or in any manner is adjudged bankrupt or insolvent;

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage this 31 day of January, 1996.

Mortgagor:

Nancy A. Samardzija
NANCY A. SAMARDZIJA

[Individual Acknowledgment]

STATE OF INDIANA)
COUNTY OF Lake) SS:

Before me, a Notary Public in and for State of Indiana and a resident of LAKE County, Indiana, personally appeared NANCY A. SAMARDZIJA

who, being first duly sworn, acknowledged execution of the foregoing Mortgage.

Witness my hand and Notarial Seal this 31 day of January, 1996.

Susan M. Kowalski
(Signature)

SUSAN M. KOWALSKI, Notary Public
(Printed)

My commission expires:

8/97

[Organization Acknowledgment]

STATE OF INDIANA)
COUNTY OF _____) SS:

Before me, a Notary Public in and for State of Indiana and a resident of _____ County, Indiana, personally appeared _____, the _____ of _____, a(n)

who acknowledged execution of the foregoing Mortgage as such _____ for and on behalf of said _____.

Witness my hand and Notarial Seal this _____ day of _____, 19____.

(Signature)

_____, Notary Public
(Printed)

My commission expires:

This instrument was prepared by Debra Lynch Dubovich of LEVY & DUBOVICH, attorney at law.

Return to: 2850 45th Avenue, Highland, IN 46322

NOTARY PUBLIC

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(d) Any part of the Mortgaged Property or all or any substantial part of the property or assets of Borrower (or any one of them, if more than one) is placed in the hands of any receiver or trustee, or Borrower (or any one of them, if more than one) consents, agrees or acquiesces to the appointment of any such receiver or trustee;

(e) Institution of proceedings to enforce or foreclose any Prior Mortgage Lien or any other mortgage or lien upon all or any part of the Mortgaged Property;

(f) _____

10. **Foreclosure and Application of Proceeds.** All expenses which may be paid or incurred by or on behalf of Mortgagee in connection with the foreclosure of this Mortgage for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and cost of procuring all title searches, policies and examinations and similar data and assurances with respect to title as Mortgagee reasonably may deem necessary to prosecute such suit shall constitute Advancements, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate, and shall be allowed and included as Indebtedness in the judgment for sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order or priority: First, on account of all Advancements incident to the foreclosure proceedings and all Costs; second, all other items which under the terms of this Mortgage constitute Indebtedness additional to the Primary Debt; third, all principal, interest and other amounts remaining unpaid on the Primary Debt; and fourth, any remainder to the person or persons entitled thereto as determined by the court in the foreclosure proceedings.

11. **Foreclosure Proceedings and Receiver.** Upon the commencement of any proceedings to foreclose this Mortgage, Mortgagee shall be entitled forthwith to the appointment of a receiver or receivers, as a matter of right, without the giving of notice to any other party, without regard to the adequacy or inadequacy of any security for the Indebtedness and without the requirement of any bond. Mortgagee shall be entitled to recover judgment either before or after or during the pendency of any proceedings for the enforcement of this Mortgage. The right of Mortgagee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of this Mortgage, or the foreclosure of the lien of this Mortgage.

12. **No Exclusive Remedy.** Each and every right, power and remedy conferred upon or reserved to Mortgagee in this Mortgage is cumulative and shall be in addition to every other right, power and remedy given in this Mortgage or now or hereafter existing at law or in equity. No delay or omission of Mortgagee in the exercise of any right, power or remedy shall be construed to be a waiver of any Event of Default or any acquiescence therein.

13. **Provisions Severable.** In the event any one or more of the provisions of this Mortgage for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in this Mortgage.

14. **Notices.** All notices pursuant to this Mortgage shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified United States mail, addressed to Mortgagor at the following address:

Ms. Nancy A. Samardzija, 315 East 60th Drive, Merrillville,

Indiana 46410

and to Mortgagee at the following address:

Mr. Robert D. Chapman, 315 East 60th Drive, Merrillville,

Indiana 46410

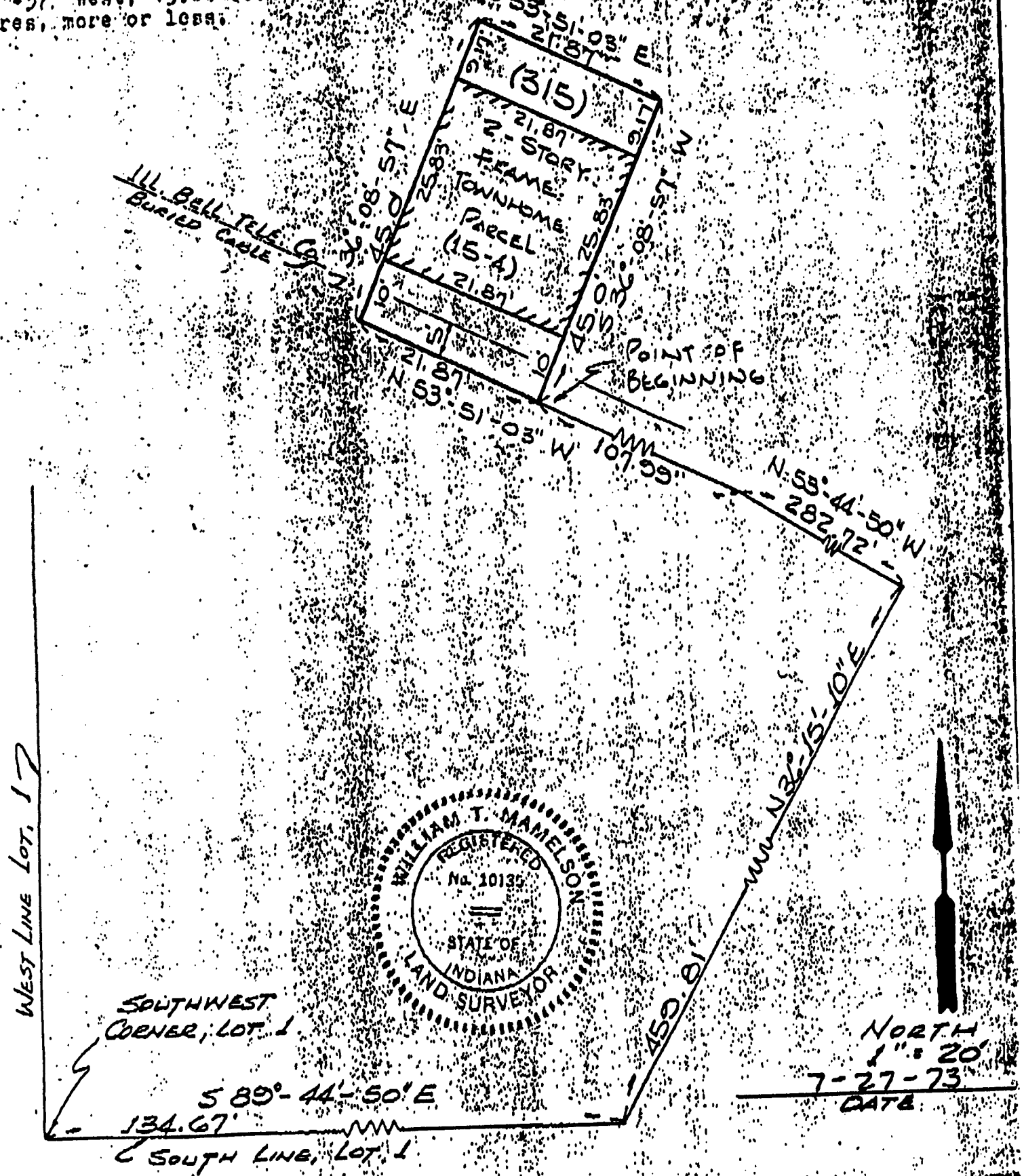
or at such other place as either party may, by notice in writing, designate as a place for service of notice.

15. **Successors and Assigns.** This Mortgage shall (a) run with the land, (b) apply and extend to, be binding upon and inure to the benefit of Mortgagor, Mortgagor's heirs, administrators, successors and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" shall include all such persons, and (c) shall apply and extend to, be binding upon and inure to the benefit of Mortgagee and Mortgagee's successors and assigns. The word "Mortgagee" shall include the successors and assigns of Mortgagee, and the holder or holders, from time to time, of the Note and any other Indebtedness instruments.

16. **Miscellaneous.** The captions in this Mortgage are for convenience only and do not define or limit the provisions of this Mortgage. All changes to this Mortgage must be in writing signed by Mortgagee and, if this Mortgage is to be recorded, shall not be effective until recorded. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

17. **Identification of Prior Mortgage Lien/Additional Provisions.**

PLAT OF SURVEY
 Parcel 15-4 being a part of Lot 1, Old Airport Addition, Lake County, Indiana
 as the same appears of record in the Office of the Lake County Recorder in
 Plat Book 38, page 99, more particularly described as commencing at the South
 West corner of said Lot 1; thence South $89^{\circ}-44'-50''$ East along the South line
 of Lot 1, a distance of 134.67 feet; thence North $36^{\circ}-15'-10''$ East a distance of
 459.81 feet; thence North $53^{\circ}-51'-03''$ West a distance of 282.72 feet; thence
 North $53^{\circ}-51'-03''$ West a distance of 107.99 feet to the point of beginning;
 thence continuing North $53^{\circ}-51'-03''$ West, 21.87 feet; thence North $36^{\circ}-08'-57''$
 East, 45.00 feet; thence South $53^{\circ}-51'-03''$ East, 21.87 feet; thence South $36^{\circ}-08'-57''$
 West, 45.00 feet to the point of beginning, containing 0.0227
 acres, more or less.



STATE OF INDIANA } 45
 COUNTY OF LAKE }
 This is to certify that I have surveyed the hereinabove described property and
 located the improvements thereon, and that the plat appearing hereon is a true
 representation of said survey, and that the improvements located hereon do not
 encroach on the following easements: Easement to Illinois Bell Telephone,
 recorded Dec. 12, 1972 as Document No. 181636; Easement to Northern Indiana
 Public Service Co. (Electric) recorded Dec. 12, 1972 as Document No. 181636;
 Easement to Northern Indiana Public Service Co., (Gas) recorded May 22, 1973 as
 Document No. 202790; Easement to the Merrillville Conservancy District, recorded
 1973 as Document No.

WILLIAM T. MAMELSON, LAND SURVEYOR 10135
 THIS SURVEY TO BE USED FOR MORTGAGE PURPOSES ONLY

Exhibit A

X

Note: Use of this form constitutes practice of law and is limited to practicing lawyers. Care should be taken as to whether or not Federal or State disclosures are applicable.

Form No. 19

PROMISSORY NOTE

\$ 10,000.00

Due Date: _____

Within ninety (90) days upon written demand, for value received, the undersigned promises to pay to the order of Robert D. Chapman the sum of Ten Thousand and no/100 Dollars (\$10,000.00) at 315 E. 60th Drive, Merrillville, Indiana or at such other place as the holder hereof may direct in writing, with interest thereon at the rate of Seven per centum (7%) per annum from the date of this instrument until maturity, and Seven per centum (7%) per annum after maturity until paid, with attorneys' fees and costs of collection, and without relief from valuation and appraisal laws.

The maker(s) and endorser(s) jointly and severally waive demand, presentment, protest, notice of protest and notice of nonpayment or dishonor of this note, and each of them consents to extensions of the time of payment of this note.

No delay or omission on the part of the holder hereof in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the holder hereof of any right or remedy shall preclude other or further exercise thereof or of any other right or remedy.

This note, and any extensions or renewals hereof, is secured by a (Security Agreement) (Mortgage on real estate in Lake County, Indiana) dated _____, 19____, and executed in favor of and delivered to the payee(s) hereof by _____ to which reference is made for other rights as to prepayment and acceleration. ~~(If this is not a secured note, strike the foregoing paragraph.)~~

Signed and delivered at Lewy & Dubovich, 2850 W 45th Ave, Highland
Ind this 31st day of Jan, 1996.

Signature: Nancy A. Samardzija
Printed: NANCY A. SAMARDZIJA
Address: 315 E 60th Dr.
Merr. In. 46410

Signature: _____
Printed: _____
Address: _____