

6

# REAL ESTATE MORTGAGE

3820 W9040t  
Merrill, Jr  
46410

This indenture witnesseth that

Wojciech Rybacki AND  
Bozena Rybacki

of 430 Avenue H , Griffith, IN

as MORTGAGOR,

Mortgages and warrants to Ray R. Nichols AND Eleanor A. Nichols

of 1115 E. Main Street, Griffith

Indiana, as MORTGAGEE,

the following real estate in 8944 S. Cline Ave., Highland,  
State of Indiana, to wit:

Lake County

96077229

(See Attached Legal)  
**Document is NOT OFFICIAL!**  
Property known as 8944 South Cline Avenue  
Highland, IN 46322  
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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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MARGARET L. COLEMAN  
RECORDER

as well as the rents, profits and any other income which may be derived therefrom, to secure the performance of all conditions and stipulations of this agreement and:

A To secure the payment, when the same shall become due, of the following indebtedness of even date herewith:

Promissory Note Dated November 7, 1996 between

Wojciech Rybacki and Bozena Rybacki, Borrowers AND  
Ray R. Nichols and Eleanor Nichols, Lenders

with interest at the rate of 7.5 per cent per annum computed Monthly during such period when there shall be no delinquency or default in the payment of any moneys to be paid on this obligation but with interest at the rate of 10% per annum computed semi-annually during such period when there shall be any delinquency or default in the payment of any moneys to be paid on this obligation and to be computed to the next interest period following such delinquency or default, and said rate shall continue to be paid until all delinquencies and defaults are removed by the beginning of a succeeding interest period, all without relief from Valuation and Appraisal Laws, and with attorney's fees;

B Also securing any renewal or extension of such indebtedness;

C Also securing all future advances to the full amount of this mortgage;

D Also securing all indebtedness or liabilities incurred by the holder hereof for the protection of this security or for the collection of this mortgage.

Mortgagor agrees to pay to Mortgagee, in addition to the regular payments, an amount in equal monthly installments which will cover future payments of taxes, insurance and assessments against said real estate; and these payments shall constitute a trust fund out of which all future taxes, insurance and assessments shall be paid by Mortgagee so far as it shall cover such payments, and any deficiency shall be paid by Mortgagor as and when the payments become due, and any permanent surplus shall be credited to the principal.

Mortgagor further covenants and agrees as follows:

1. To keep all buildings, fixtures and improvements on said premises, now or hereafter erected thereon, and all equipment attached to or used in connection with the fixtures on said premises herein mortgaged insured against loss or damage by fire, windstorm and extended coverage in such sums and with such insurers as may be approved by Mortgagee as a further security for said indebtedness, which insurance policy or policies shall carry a mortgage clause with loss payable to Mortgagee in form satisfactory to Mortgagee to be delivered to possession of Mortgagee to be held continuously through period of the existence of said indebtedness or any portion thereof.

C.B. 1996

2. To exercise due diligence in the operation, management and occupation of said real estate and the improvements thereon and not to remove or suffer to be removed any fixtures and/or appliance, now or hereafter placed on said premises; and to keep said real estate and improvements thereon in their present condition and repair, normal and ordinary depreciation excepted; Mortgagor shall not do or suffer to be done any acts which will impair the security of this mortgage nor any illegal or immoral acts on said premises; and Mortgagee shall have the right to inspect said premises at all reasonable times.

3. The holder of this obligation may renew the same or extend the time of payment of the indebtedness or any part thereof or reduce the payments thereon; and any such renewal, extension or reduction shall not release any maker, endorser, or guarantor from any liability on said obligation.

4. No sale of the premises hereby mortgaged or extension of time for the payment of the debt hereby secured shall operate to release, discharge or modify in any manner the effect of the original liability of the Mortgagor; and any extension of time on this mortgage by Mortgagee or his assigns, without the consent of the holder of any junior lien or encumbrance, shall not operate to cause a loss of the priority of this mortgage over such junior lien. Mortgagee shall be subrogated to any lien or claim paid by moneys advanced and hereby secured.

5. In case any part of the premises is appropriated under the power of eminent domain, the entire amount paid for said portion of the premises so appropriated shall be paid to this Mortgagee.

6. It is agreed that time is the essence of this agreement and that, in case of default in the payment of any installment when the same shall become due and payable, the holder of the note and mortgage may, at his option, declare all of the debt due and payable, and any failure to exercise said option shall not constitute a waiver of right to exercise the same at a later date. In the event any proceedings shall be instituted on any junior lien or encumbrance against said real estate, then the Mortgagee herein may immediately declare this mortgage due and payable and institute such proceedings as may be necessary to protect his interest. The lien of this mortgage shall include all heating, plumbing and lighting or other fixtures now or hereafter attached to or used in connection with said premises.

7. In case of delinquency or default in any payment required in this mortgage and the institution of foreclosure proceedings thereunder, Mortgagee is expressly authorized to cause a continuation of the abstract of title at the expense of Mortgagor to show the condition of the title at the date of said continuation and which sums necessarily spent for continuation of the abstract of title to the said real estate, together with interest thereon at the rate of eight per cent per annum, shall become part of the debt secured by this mortgage and collectable as such; and in case of foreclosure and purchase of said real estate pursuant to said foreclosure by the holder thereof, the abstract of title and any continuation thereof shall be the absolute property of the Mortgagee.

8. In the event of such foreclosure, the Mortgagee, or his assigns, may apply for the appointment of a receiver, which receiver is hereby authorized to take possession of the said real estate, collect the rents, income or profit, in money or in kind, and hold the proceeds subject to the order of the court for the benefit of the Mortgagee pending foreclosure proceedings. Said receiver may be appointed irrespective of the value of the mortgaged property or its adequacy to secure or discharge the indebtedness due or to become due.

9. All terms of this mortgage shall be binding on each and all successors in ownership of said real estate, as well as upon all heirs, executors, administrators of Mortgagor or successors in ownership.

10. Additional Covenants:



State of Indiana, Lake County, ss:

Before me, the undersigned, a Notary Public in and for said County and State, this 18th day of November 1996 personally appeared:

Dated this 18th day of November 1996

Wojciech Rybacki Seal  
Wojciech Rybacki

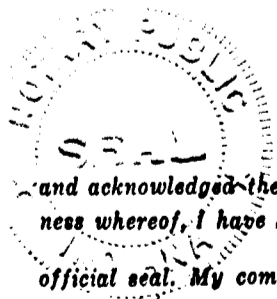
\_\_\_\_\_ Seal

Bozena Rybacki Seal  
Bozena Rybacki

\_\_\_\_\_ Seal

\_\_\_\_\_ Seal

\_\_\_\_\_ Seal



and acknowledged the execution of the foregoing mortgage. In witness whereof, I have hereunto subscribed my name and affixed my official seal. My commission expires January 6, 1999

Kathleen R. Krieter Notary Public

Kathleen R. Krieter Printed Signature

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

XXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXX

Mail to: Ray R. Nichels 1115 E. Main St., Griffith, IN 46319

A part of the Northeast Quarter (N.E.1/4) of the Northeast Quarter (N.E.1/4) of Section 27, Township 36 North, Range 9 West of the 2nd P.M., described as follows: commencing at a point on the East line of the said Northeast Quarter (N.E.1/4) of the Northeast Quarter (N.E.1/4) of said Section 27 at a distance of 693 feet North of the Southeast (S.E.) corner thereof; thence West a distance of 190 feet; thence North a distance of 80 feet; thence East a distance of 190 feet; thence South a distance of 80 feet to the place of beginning, all in the Town of Highland, in Lake County, Indiana; also, a part of the Northeast Quarter (N.E.1/4) of the Northeast Quarter (N.E.1/4) of said Section 27, Township 36 North, Range 9 West of the 2nd P.M., described as follows: commencing at a point on the East line of said Northeast Quarter (N.E.1/4) of the Northeast Quarter (N.E.1/4) of the said Section 27, at a distance of 657.59 feet North of the Southeast corner thereof; thence West a distance of 190 feet; thence South a distance of 34.17 feet; thence East a distance of 190 feet; thence North a distance of 35.41 feet to the place of beginning, all in the Town of Highland, in Lake County, Indiana.

A part of the Northeast 1/4 of the Northeast 1/4 of Section 27, Township 36 North, Range 9 West of the Second Principal Meridian, described as commencing at a point on the East line of the Northeast 1/4 of the Northeast 1/4 of said Section 27 a distance of 898 feet North of the Southeast corner thereof; thence West a distance of 190 feet; thence North a distance of 96 feet; thence East a distance of 190 feet; thence South a distance of 96 feet to the place of beginning, all in the Town of Highland, Lake County, Indiana. -ALSO-

A part of the Northeast 1/4 of the Northeast 1/4 of Section 27, Township 36 North, Range 9 West of the Second Principal Meridian, described as commencing at a point on the East line of the Northeast 1/4 of the Northeast 1/4 of said Section 27 at a distance of 803 feet North of the Southeast corner thereof; thence West a distance of 190 feet; thence North a distance of 95 feet to the place of beginning, all in the Town of Highland, Lake County, Indiana. -ALSO- thence East a distance of 190 feet; thence South a distance of 95 feet; a part of the Northeast 1/4 of the Northeast 1/4 of Section 27, Township 36 North, Range 9 West of the Second Principal Meridian, described as commencing at a point on the East line of the Northeast 1/4 of the Northeast 1/4 of said Section 27 at a distance of 773 feet North of the Southeast Corner thereof; thence West a distance of 190 feet; thence North a distance of 30 feet, thence East a distance of 190 feet; thence South a distance of 30 feet to the place of beginning all in the Town of Highland, Lake County, Indiana.

Commonly known as 8944 South Cline Avenue, Highland, Indiana.

Tax Key Nos. 27-17-84 &  
27-17-104, 105 & 106



THIS FORM HAS BEEN PREPARED BY THE ALLEN COUNTY INDIANA BAR ASSOCIATION FOR USE BY ATTORNEYS ONLY. THE SELECTION OF A FORM OF INSTRUMENT, FILLING IN BLANK SPACES, STRIKING OUT PROVISIONS, AND INSERTION OF SPECIAL CLAUSES, CONSTITUTES THE PRACTICE OF LAW AND SHOULD BE DONE BY A LAWYER. THIS FORM IS NOT SUITABLE FOR ALL SECURITY TRANSACTIONS AND IT MUST BE USED IN CONFORMITY WITH THE UNIFORM COMMERCIAL CODE . . . PRESCRIBED FORMS FOR FINANCING STATEMENTS ARE AVAILABLE AT THE ALLEN COUNTY INDIANA BAR ASSOCIATION OFFICE.

## SECURITY AGREEMENT (General)

Wojciech Rybacki and Bozena Rybacki hereinafter called the  
"Borrower" grants to Ray R. Nichels and Eleanor A. Nichels hereinafter called the  
"Secured Party" a security interest in the following described property:

All Furniture, Fixtures, and Equipment (See Attached List)  
Located At: 8944 South Cline Avenue  
Highland, IN 46322

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together with all tools, accessories, parts, equipment and accessions now attached to or which may hereafter at any time be placed in or added to the above described property; also any replacements of such property herein described ("Collateral") to secure the payment of that certain indebtedness evidenced by a promissory note or notes, executed by the Borrower to the Secured Party in the principal sum of Thirty six Thousand Seven Hundred and Seventeen and 68/100 Dollars (\$ 36,717.68 ) of even date herewith or any extensions or renewals thereof and all other liabilities of the Borrower in favor of the Secured Party direct or indirect, absolute or contingent, now existing or hereafter arising, all of which the Borrower agrees to pay without relief from valuation or appraisal laws and with attorneys' fees; also to secure the payment of any and all future advances that may be made by the Secured Party to the Borrower during the term of their Agreement, equally with and to the same extent as the monies originally advanced under this Agreement.

Borrower hereby warrants and agrees that:

1. The Collateral is being acquired for the following primary use:  personal, or family use,  business use, or  farming operations.

2. The Collateral  will  ~~not~~ be acquired with the proceeds of the loan provided for in this Agreement. (In the event the Collateral will be acquired with the proceeds of the loan, the Secured Party may disburse such proceeds to the seller of the Collateral.)

3. The Collateral will be kept at the address of the Borrower set out below, which in the case of a business is the address of the principal office of such business within this state. Borrower will not remove the Collateral from the state without the prior written consent of the Secured Party. If the Collateral is being acquired for farming use and the Borrower is not a resident of Indiana, the Collateral will be kept at the address set forth in the description of the Collateral. Borrower will immediately give written notice to the Secured Party of any change of address and in the case of a business, any change in its principal place of business and if the Collateral consists of equipment normally used in more than one state, any use of the Collateral in any jurisdiction other than a state in which the Borrower shall have previously advised the Secured Party such Collateral will be used.

4. Borrower has, or will acquire, full and clear title to the Collateral and except for the security interest granted herein, will at all times keep the Collateral free from any adverse lien, security interest or encumbrance.

5. In the event the Collateral will be attached to real estate, the description of such real estate and the known owner of record of such real estate are set forth in the description of the Collateral. If the Collateral is attached to such real estate prior to the perfection of the security interest granted herein, the Borrower will, on demand, furnish the Secured Party with a disclaimer or disclaimers executed by persons having an interest in such real estate.

6. No financing statement covering all or any portion of the Collateral is on file in any public office.

7. Borrower authorizes the Secured Party at the expense of the Borrower to execute and file on its behalf a financing statement or statements in those public offices deemed necessary by the Secured Party to protect its security interest in the Collateral. Borrower will deliver or cause to be delivered to the Secured Party any certificate or certificates of title to the Collateral with the security interest of the Secured Party noted thereon.

8. Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of the Secured Party.

9. Borrower will at all times keep the Collateral insured against loss, damage, theft and other risks in such amounts, under such policies and with such companies as shall be satisfactory to the Secured Party, which policies shall provide that any loss thereunder shall be payable to the Secured Party as its interest may appear and the Secured Party may apply the proceeds of such insurance against the outstanding indebtedness of the Borrower, regardless of whether all or any portion of such indebtedness is due and owing. All policies of insurance so required shall be placed in the possession of the Secured Party.

Upon failure of the Borrower to procure such insurance or to remove any encumbrance upon the Collateral or if such insurance is cancelled, the indebtedness secured hereby shall become immediately due and payable at the option of the Secured Party, without notice or demand, or the Secured Party may procure such insurance or remove any encumbrance on the Collateral and the amount so paid by the Secured Party shall be immediately repayable and shall be added to and become a part of the indebtedness secured hereby and shall bear interest at the rate of eight percent (8%) per annum, until paid.

10. Borrower will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any portion thereof. Borrower will not use the Collateral in violation of any statute or ordinance or any policy of insurance thereon and the Secured Party may examine and inspect such Collateral at any reasonable time or times wherever located.

11. Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation.

12. The occurrence of any one of the following events shall constitute default under this security Agreement: (a) nonpayment when due of any installment of the indebtedness hereby secured or failure to perform any agreement contained herein; (b) any statement, representation, or warranty at any time furnished the Secured Party is untrue in any material respect as of the date made; (c) Borrower becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors or any proceeding is instituted by or against the Borrower alleging that such Borrower is insolvent or unable to pay debts as they mature; (d) entry of judgment against the Borrower; (e) loss, theft, substantial damage, destruction, sale or encumbrance to or of all or any portion of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (f) death of the Borrower who is a natural person or of any partner of the Borrower which is a partnership; (g) dissolution, merger or consolidation or transfer of a substantial portion of the property of the Borrower which is a corporation or a partnership; or (h) the Secured Party deems itself insecure for any other reason whatsoever. When an event of default shall be existing, the note or notes and any other liabilities may at the option of the Secured Party and without notice or demand be declared and thereupon immediately shall become due and payable and the Secured Party may exercise from time to time any rights and remedies of a Secured Party under the Uniform Commercial Code or other applicable law. Borrower agrees in the event of default to make the Collateral available to the Secured Party at a place acceptable to the Secured Party which is convenient to the Borrower. If any notification or disposition of all or any portion of the Collateral is required by law, such notification shall be deemed reasonable and properly given if mailed at least ten (10) days prior to such disposition, postage prepaid to the Borrower at its latest address appearing on the records of the Secured Party. Expenses of retaking, holding, repairing, preparing for sale and selling, shall include the Secured Party's reasonable attorneys' fees and expenses. Any proceeds of the disposition of the Collateral will be applied by the Secured Party to the payment of expenses of retaking, holding, repairing, preparing for sale and selling the Collateral, including reasonable attorneys' fees and legal expenses and any balance of such proceeds will be applied by the Secured Party to the payment of the indebtedness then owing the Secured Party.

No delay on the part of the Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. If more than one party shall execute this Agreement, the term "Borrower" shall mean all parties signing this Agreement and each of them, and such parties shall be jointly and severally obligated hereunder. The neuter pronoun, when used herein, shall include the masculine and the feminine and also the plural. If this Agreement is not dated when executed by the Borrower, the Secured Party is authorized, without notice to the Borrower, to date this Agreement.

This Agreement shall be construed in accordance with the laws of the state of Indiana. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

This Agreement shall be binding upon the heirs, administrators and executors of the Borrower and the rights and privileges of the Secured Party hereunder shall inure to the benefit of its successors and assigns.

ADDITIONAL PROVISIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, this Agreement has been duly executed on this 18th day of

November, 1976.

X [Signature] (Seal)  
(Borrower)

X [Signature] (Seal)  
(Secured Party)

X [Signature] (Seal)  
(Borrower)

X [Signature] (Seal)  
(Secured Party)

\_\_\_\_\_  
\_\_\_\_\_





# PROMISSORY NOTE

The undersigned promises to pay to the order of Ray R. and Eleanor A. Nichols the sum of Thirty Six Thousand Seven Hundred Seventeen and 68/100 Dollars (\$ 36,717.68 ), together with simple interest on the principal amount outstanding at the rate of Seven and one half percent (7 1/2%) per annum until this Note is paid in full, except during any period of default the interest rate shall be Ten percent (10%) per annum.

Payment of this Note shall be made as follows (mark only one):

- On demand.
- On or before \_\_\_\_\_, at which time all principal and interest shall be paid in full.
- In 49 monthly installments of \$ 300.00 each, beginning December 7, 1996 and continuing on the same day of each month until April 25, 2001, at which time all remaining principal and interest shall be paid in full. This Note has been amortized over a period of 20 years.
- In \_\_\_\_\_ monthly installments of \$ \_\_\_\_\_ each, beginning \_\_\_\_\_, 199\_\_\_\_, and continuing on the same day of each month until \_\_\_\_\_, at which time a final/balloon payment of \$ \_\_\_\_\_ shall be due, which shall pay this Note in full, if all monthly payments have been timely made. This Note has been amortized over a period of \_\_\_\_\_ years.
- Insert any other payment provisions here: \_\_\_\_\_

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If any payment pursuant to this Note is not paid when due, the entire unpaid principal and interest shall, at the option of the holder of this Note ("Holder"), become immediately due and payable. Forbearance on the part of the Holder in accelerating or pursuing collection of this Note shall not operate as a waiver of the right to do so at any future date. Upon default, the Holder shall be entitled to recover all costs of collection, including, but not limited to, reasonable attorney fees. This Note is payable without relief from valuation or appraisal laws. This Note may be prepaid in full, or in part, without penalty. Payments shall be applied first to costs of collection, then to interest, then to principal.

Presentment, notice of dishonor and protest are waived by all makers, sureties, guarantors and endorsers of this Note. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors, assigns and legal representatives. This Note shall be governed by Indiana law. Time shall be of the essence. If this Note is inconsistent with any security agreement or mortgage, the provisions of this Note shall control.

(Mark the appropriate provision(s)):

- This Note is unsecured.
- To secure the payment of this Note, the undersigned has granted a security interest in personal property described in a Security Agreement dated November 7, 1996.
- To secure the payment of this Note, the undersigned has granted a mortgage to Holder on real estate described in a Real Estate Mortgage dated November 7, 1996.

Additional Provisions:

Payment of this Note shall be made to the Holder at 1115 E. Main Street, Griffith, IN 46310, or at such other address as the Holder may designate to the undersigned in writing.

This Note is executed on November 18, 1996, at Griffith, Indiana.

Wojciech Rybacki  
(Signature)  
Wojciech Rybacki  
(Name Printed or Typed)

Bozena Rybacki  
(Signature)  
Bozena Rybacki  
(Name Printed or Typed)