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RECORDATION REQUESTED BY and  
INSTRUMENT PREPARED BY:  
Signet Bank

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

When recorded, mail to: **97066687**  
Record & Return to.  
Signet Bank  
P.O. Box 85197  
Richmond, VA 23285  
US Property & Appraisal Svc.  
P O. Box 16489  
Pittsburgh, PA 15242

97 OCT -2 PM 1:08

MORRIS W. CARTER  
RECORDER

[Space Above This Line For Recording Data]

**OPEN-END MORTGAGE**  
*THIS MORTGAGE SECURES FUTURE ADVANCES*  
**HOME EQUITY LINE**  
(Indiana)

The maximum principal amount advanced under this Mortgage shall not exceed **\$13,000.00**.

This Equity Line Mortgage (Mortgage), dated as of the 26 day of September,  
1997, among JOHN J. ERNST (the Mortgagor, whether one or more), and SIGNET BANK, a Virginia  
corporation, (the Mortgagee), 101 Gateway Pkwy, Richmond, VA. 23235, provides:

MORTGAGOR'S TRANSFER OF RIGHTS IN THE PROPERTY

For valuable consideration, the Mortgagor grants and mortgages to the Mortgagee the real property commonly  
known as 1503 215TH ST, DYER, located in County of LAKE, Indiana and more particularly described on Exhibit  
A attached to this Mortgage (the Land) together with the following:

- a) All buildings and improvements located on the Land;
- b) All rights in other property that the Mortgagor has as the owner of the Land (these right include such things  
as easements, rights, privileges and appurtenances attached to the Land);
- c) All mineral, oil and gas rights and profits, water, water rights and water stock that are part of the Land;
- d) All rents and royalties from the property described in this section;
- e) All rights that the Mortgagor has in the Land which lies in the streets and roads in front of, or next to, the  
Land;
- f) All fixtures that are now or in the future will be on the Land and on the property described in paragraph (b)  
of this section, and all replacements of and additions to those fixtures;
- g) All of the rights and property described in paragraphs (a) through (f) of this section acquired by the  
Mortgagor in the future; and
- h) All replacements of or additions to the rights and property described in paragraphs (a) through (g) of this  
section.

The Land and all of the rights and property described in paragraphs (a) through (h) of this section will be called the  
"Property." This Mortgage will serve as a security agreement granting the Mortgagee a security interest in the  
property under the laws of the State of Indiana. The recordation of this Mortgage will also serve as a fixture filing  
under the Uniform Commercial Code to the extent a portion of the collateral is comprised of fixtures.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE  
RENTS AND PERSONAL PROPERTY IS GIVEN TO SECURE THE PAYMENT OF THE SECURED DEBT  
AND THE PERFORMANCE OF ALL OBLIGATIONS OF THE MORTGAGOR UNDER THIS MORTGAGE  
AND THE AGREEMENT. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

WARRANTIES OF THE MORTGAGOR

The Mortgagor warrants that, except for the "exceptions" listed in any title insurance policy which insures the  
Mortgagee's rights in the property:

- a) The Mortgagor lawfully owns the Property;
- b) The Mortgagor has the right to mortgage the Property to the Mortgagee; and

- c) There are no outstanding claims or charges against the Property.

The Mortgagor promises to defend the ownership of the Property against any claims or such rights.

#### SECURED DEBT

The Mortgagor conveys the Property in trust to secure the performance of the promises of the Mortgagor contained in this Mortgage and to secure the payment of the debt described below (the Secured Debt);

- a) All present and future obligations for cash advances, purchases, finance charges and other charges arising out of the Home Equity Line Agreement, Disclosure and Note between the Mortgagee and JOHN J. ERNST dated 9-26-, 1997, and all amendments to that agreement (the Agreement). The amount secured by this Mortgage will not exceed at any one time outstanding the principal sum **Thirteen Thousand and No/100th Dollars (\$13,000.00)** plus finance charges and costs of collection, including attorneys' fees and foreclosure expenses. The disbursed and unpaid principal balance of the indebtedness secured hereby shall bear interest at a per annum rate which shall, as adjusted monthly, be equal to **5.00%** per annum plus the highest **LIBOR** Rate published in the "Money Rates" section of The Wall Street Journal on the 25th day of the preceding month (or, if not published on that day, then on the immediately preceding day The Wall Street Journal is published), or any designated substitute index therefore announced by Mortgagee in its sole discretion, from time to time at its principal office in Richmond, Virginia. This Mortgage secures not only existing indebtedness or advances made contemporaneously with the execution hereof, but also future advances, whether obligatory, or optional, or both, and whether made under open-end credit agreements or otherwise, to the same extent as if future advances were made contemporaneously with the execution of this Mortgage, even though no advance is made at the time of the execution of this Mortgage and even though no indebtedness is outstanding at the time any advance is made. LIBOR means One Month London Interbank Offered Rate rounded up to the nearest 1/100th %.
- b) All indebtedness of the Mortgagor to the Mortgagee or to the Mortgagee which arises under the provisions of this Mortgage. The Mortgagor desires to secure and make certain the full, prompt and final payment of any and all present or future indebtedness, now or hereinafter owing, direct or contingent, and of any and all renewals or extensions thereof.

#### MORTGAGOR'S PROMISES AND AGREEMENTS

The Mortgagor promises and agrees as follows:

- a) If the Mortgagor has signed or guaranteed the Agreement, the Mortgagor will pay the amounts owing under the Agreement when they are due.
- b) The Mortgagor will maintain the Property in good condition and repair. The Mortgagor will not destroy, damage or substantially change the Property and will not allow the Property to deteriorate. The Mortgagor will comply with all laws, regulations and ordinances affecting the Property. The Mortgagor will permit the Mortgagee and any persons authorized by the Mortgagee to enter and inspect the Property at all reasonable times.
- c) The Mortgagor will at all times keep the Property insured against loss or damage by fire and such other risks as may be included in the standard form of extended coverage insurance from time to time available. The Mortgagor will also maintain insurance against such other hazards as may be reasonably required by the Mortgagee. The amount of the insurance must be approved by the Mortgagee, but need not exceed 100% of the full replacement value of the Property. The Mortgagor will assign and deliver the policy or policies of insurance to the Mortgagee, each of which will have endorsed on it the standard New York mortgagee clause in the name of the Mortgagee, will provide that it cannot be canceled without at least ten (10) days notice to the Mortgagee and will be issued by a company approved by the Mortgagee. The Mortgagor hereby appoints the Mortgagee as its attorney-in-fact to collect and receive, and to give receipts for, the proceeds of any insurance. Such insurance proceeds may be applied to the Secured Debt, or, at the option of the Mortgagee, may be paid in whole or in part to the Mortgagor to be used for the repair and reconstruction of the Property.
- d) The Mortgagor, whose address is listed on the signature page hereof, will pay all taxes, assessments and other charges against the Property when they are due. If requested by the Mortgagee, the Mortgagor will deliver to the Mortgagee receipts evidencing payment of such taxes and assessments.
- e) The Mortgagor will make all payments due on any debt secured by a Mortgage which is prior to this Mortgage and will not permit such debt to go into default. The Mortgagor will keep the Property free from any other liens or encumbrances which may have a priority over this Mortgage.
- f) The Mortgagor will give the Mortgagee notice of any condemnation proceedings affecting the Property. The Mortgagor agrees that all condemnation awards made to the Mortgagor for any taking by a governmental body or agency of the whole or of any part of the Property will be payable to the Mortgagee. The Mortgagor hereby appoints the Mortgagee as its attorney-in-fact to receive and give receipts for any

such award or awards. Any such award or awards will, at the option of the Mortgagee, be applied to reduce the Secured Debt.

- g) The Mortgagee may advance funds from time to time to perform any of the promises or agreements made by the Mortgagor under this Mortgage, or to protect its interests under this Mortgage. All such funds that are advanced will be payable on demand by the Mortgagor and will bear interest at the rate set forth in the Agreement and will be secured by this Mortgage. At the Mortgagee's option, any such advances may be posted to the account created pursuant to the Agreement.
- h) The Mortgagor will not utilize the Secured Debt for commercial, business or agricultural purposes or endeavors and/or for the financing thereof.
- l) If Mortgagor discharges the Secured Debt and request Mortgagee to release its lien, hereunder, Mortgagor shall pay Mortgagee all costs and expenses of releasing the Property from the lien of this Mortgage, including a reasonable fee as determined by Mortgagee from time to time

#### EVENTS OF DEFAULT

Each of the following will be an event of default under this Mortgage:

- a) If the Mortgagor fails to keep any promise or agreement made in this Mortgage; or
- b) If any warranty made by the Mortgagor in this Mortgage is not true and correct; or
- c) The occurrence of a default in a material obligation or any other default under the Agreement; or
- d) If the Mortgagor sells, conveys, leases or otherwise disposes of the Property without the prior written consent of the Mortgagee.

Remedies of the Mortgagee Upon an Event of Default. If an event of default occurs, the Mortgagee may, at its option and to the extent permitted in the Agreement, by written notice to the Mortgagor, either terminate the Agreement and demand immediate payment of the Secured Debt or refuse to make additional extensions of credit, accelerate the balance due or reduce the Mortgagor's credit limit under the Agreement. The Mortgagee also may, at its option and to the extent permitted in the Agreement and by the laws of Indiana, exercise any one or more of the following remedies:

- a) Sale of Real Estate at Foreclosure. Upon default the Mortgagee will have the right to take possession of the Property. The Mortgagee may sell the Property as a whole or in parts or parcels. The Property may be sold by foreclosure under power of sale in accordance with the laws of Indiana.

Except as may be otherwise provided by Indiana law, no purchaser will be required to see to the proper application of the purchase money. The proceeds of any such sale will be applied in the manner required by Indiana law, first applied to the costs and expenses of sale including attorney fees, then to payment of the debt secured by the mortgage, with any excess paid to whomever may be lawfully entitled.

- b) Right to Enter and Take Possession. The Mortgagee will have the right to enter and take possession of the Property. If the Mortgagee does so, it will perform any one or more of the agreements, terms and conditions under this Mortgage which the Mortgagee deems proper to protect the lien of this Mortgage; and, at its option, will collect all rents.
- c) Additional Remedies. The Mortgagee may exercise any other rights or remedies against the Mortgagor and the Property as are permitted under the laws of Indiana.

#### MISCELLANEOUS PROVISIONS

- a) Any notice or demand required to be sent or delivered to the Mortgagor may be sent or delivered to the Mortgagor at the Property or at such other place as the Mortgagor designates in writing to the Mortgagee. The address at which communications may be mailed or delivered to the Mortgagee is:

Signet Bank  
P.O. Box 85517  
Richmond, VA 23285

- b) NOTICE - THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED. This means that if the Mortgagor sells the property, the Secured Debt must be paid off. The Secured Debt is not assumable.
- c) The promises and agreements contained in this Mortgage will bind the heirs, executors and administrators of the Mortgagor. Wherever used, the singular number includes the plural, the plural the singular, and the use of any gender will be applicable to all genders.

- d) All Mortgagors signing this Mortgage are jointly and severally liable.
- e) The Mortgagee may delay in enforcing its rights under this Mortgage without losing them.
- f) Each Mortgagor acknowledges receiving a copy of this Mortgage and a copy of the Agreement.
- g) If any term or provision of this Mortgage is invalid or unenforceable to any extent, the remainder of this Mortgage will not be affected.
- h) The Mortgagor hereby waives, to the extent of the Mortgagor's interest in the Property and to the extent permitted by Indiana law, the benefit of the homestead exemption and any other exemptions provided by law with respect to the Secured Debt.
- i) The internal laws of the Commonwealth of Virginia shall govern all matters hereunder, including those matters dealing with usury laws, except that the internal laws of the state where the Property is located shall govern the lien priority and validity of this Mortgage and procedures with respect to the enforcement hereof.
- j) The Mortgagee will not be required to release this Mortgage until the Secured Debt has been paid in full and all checks and/or credit cards issued in connection with the Agreement have been returned to the Mortgagee.
- k) NOTICE - The credit limit under this Mortgage may be reduced by the Mortgagor to an amount not less than the amount of principal indebtedness shown on the most recent statement of Mortgagor's account received by Mortgagor from the Mortgagee plus the amount of any advances initiated by the Mortgagor subsequent to that statement. In order to effectuate such a reduction in the credit limit, the Mortgagor must serve a notice of limitation on the Mortgagee substantially in accordance with the provisions of this Mortgage.

In order to be effective, any such notice of limitation must be in substantial compliance with following requirements: (i) name of creditor upon whom the notice is served; (ii) state specifically the reduced credit limit; (iii) state the effective date of such limitation, which date cannot be sooner than one regular business day after the date of the service of the notice; (iv) name all parties to the Agreement and this Mortgage; (v) identify with reasonable specificity the real property subject to this Mortgage; (vi) give any account number assigned to the account of the Agreement; and (vii) be signed by all persons principally obligated to repay advances under the Agreement.

From and after the service of such notice of limitation, the Mortgagor shall not request or demand any further advances under the Agreement that exceed the credit limit stated in the notice, and the Mortgagee will be relieved and released from any obligation or commitment to make advances thereunder that exceed that reduced credit limit.

If the Mortgagor elects such reduction of the credit limit pursuant to the terms hereof, Mortgagee may request that Mortgagor surrender all checks, credit cards, or other devices utilized to obtain advances under the Agreement. Such notice shall be in writing and delivered to the Mortgagor pursuant to Miscellaneous Provision (a) hereof. Upon receipt of such notice, Mortgagor shall have ten (10) days in which to comply with the requirements of said notice.

- l) If a spouse or co-owner has signed this instrument but did not sign or guarantee the Agreement, signing the below does not make him or her liable for the secured debt.

**NOTICE TO BORROWER:** This document contains provisions for a variable interest rate.

BY SIGNING THIS DOCUMENT, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage.

Mortgagor(s):

*John J. Ernst*  
JOHN J. ERNST

[SEAL]

Witness other than Notary:

*Christine C Busch*  
Signature or Witness

Christine C. BUSCH  
Printed name of Witness

STATE OF

*In*

SS:

322-42-4626

CITY/COUNTY OF

*Lake*

SS:

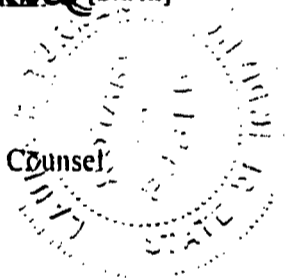
On this 26<sup>th</sup> day of Sept, 19 97 the individual(s) who executed the foregoing instrument JOHN J. ERNST, and acknowledged that he/she/they did examine and read the same and did sign the foregoing instrument, and that the same is his/her/their free act and deed.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

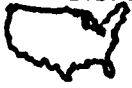
My commission expires:

**LAURA R. TURNER**  
Notary Public State of Indiana  
Lake County  
My Commission Exp. July 9, 1999

*Laura R Turner*  
Notary Public: LAURA R TURNER [SEAL]  
Print Name



This instrument was prepared by or under the supervision of Signet Banking Corporation, Corporate Counsel Department.



**U.S. PROPERTY & APPRAISAL SERVICES CORP.**  
P.O. BOX 16486, PITTSBURGH, PA 15242-0786

Telephone Number  
412-220-8410  
FAX Number  
412-220-8466

9708-06828  
LOAN #: 03000434898

JOHN J. ERNST

LEGAL DESCRIPTION

"EXHIBIT A"

THE FOLLOWING REAL ESTATE IN LAKE COUNTY IN THE STATE OF  
INDIANA, TO WIT:

LOT 1 EAST SUBURBAN FIRST ADDITION TO THE TOWN OF DYER,  
AS PER PLAT THEREOF, RECORDED NOVEMBER 20, 1956 IN PLAT BOOK 31  
PAGE 81, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.