

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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NBD

NBD Bank

Mortgage - Indirect Installment Loan (Indiana - Elkhart)

MORRIS W. G...  
C... ..

This Mortgage is made on August 20, 1998, between the  
Mortgagor(s), Frank J. Kowacek and Joyce A. Kowacek  
whose address is 1011 W. Pine Place, Griffith, IN and the Mortgagee(s), NBD Bank  
whose address is 121 W. Franklin St, Elkhart, IN

(A) Definitions.

- (1) The word "Borrower" means each person who has signed the loan agreement described below under "Security".
- (2) The words "Mortgagor", "you" or "yours" mean each Mortgagor, whether single or joint, who signs below.
- (3) The words "we", "us", "our" and "Bank" mean the Mortgagee and its successors or assigns.
- (4) The word "Property" means the land described below. Property includes all buildings and improvements now on the land or built in the future. Property also includes anything attached to or used in connection with the land as well as proceeds, rents, income, royalties, etc. Property also includes all other rights in real or personal property you may have as owner of the land, including all mineral, oil, gas and/or water rights.

(B) Security. As security for a loan agreement dated August 20, 1998 for credit in the TOTAL AMOUNT of \$1000.00, including all extensions, amendments, renewals, modifications, refinancings and replacements of that loan agreement, you mortgage and warrant to us, subject to liens of record, the Property located in the City of Griffith, LAKE County, Indiana, described as:

Lot SEVENTY-SIX (76), as marked and laid down on the recorded PLAT of Northtown Estates Second Addition to the town of Griffith, LAKE COUNTY, INDIANA, as the same appears of record in Plat Book 37, Page 1, in the Recorder's Office of LAKE County, Indiana.

(C) Mortgagor's Promises. You promise to:

- (1) Perform all duties of this Mortgage.
- (2) Pay all taxes, assessments and liens that are assessed against the Property when they are due. If you do not pay the taxes, assessments or liens, we can pay them, if we choose, and add what we have paid to the amount owed us under the loan agreement with interest to be paid as provided in the loan agreement.
- (3) Not execute any mortgage, security agreement, assignment of leases and rentals or any other agreement granting a lien against your interest in the property without our prior written consent, and then only when the document granting that lien expressly provides that it shall be subject to the lien of this Mortgage.
- (4) Keep the Property in good repair and not damage, destroy or substantially change the Property.
- (5) Keep the Property insured against loss or damage caused by fire or other hazards with an insurance carrier acceptable to us. The insurance policy must be payable to us and name us as Insured Mortgagee for the amount of the loan. You must deliver a copy of the policy to us if we request it. If you do not obtain insurance, or pay the premiums, we may do so and add what we have paid to the amount you owe us under the loan agreement with interest to be paid as provided in the loan agreement. At our option, the insurance proceeds may be applied to the balance of the loan, whether or not due, or to the rebuilding of the Property.
- (6) Keep the Property covered by flood insurance if it is located in a specially designated flood hazard zone.

(D) Environmental Condition. You shall not cause or permit the presence, use, disposal or release of any hazardous substances on or in the Property. You shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any environmental law. You shall promptly give us written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property or release of any hazardous substance on the Property. If you are notified by any governmental or regulatory authority that any removal or other remediation of any hazardous substance affecting the Property is necessary, you shall promptly take all necessary remedial actions in accordance with applicable environmental laws.

(E) Default. If you do not keep the promises you made in this Mortgage or if Borrower fails to meet the terms of the loan agreement, you will be in default. If you are in default, we may use any of the rights or remedies stated in the loan agreement or as otherwise provided by applicable law without relief from valuation or appraisal laws. If we accelerate the outstanding balance and demand payment in full, you give us the power and authority to sell the property according to procedures allowed by law. The proceeds of any sale will be applied first to any costs and expenses of the sale, including the costs of any environmental investigation or remediation paid for by us, then to reasonable attorney's fees and then to the amount owed us under the loan agreement.

(F) Due on Sale. If you sell or transfer all or any part of the Property or any interest in the Property without our prior written consent, the entire balance of what is owed us under the loan agreement is due immediately.

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(G) **Eminent Domain.** In the event of any taking under the power of eminent domain, you assign the entire proceeds of any award or payment and any interest to us.

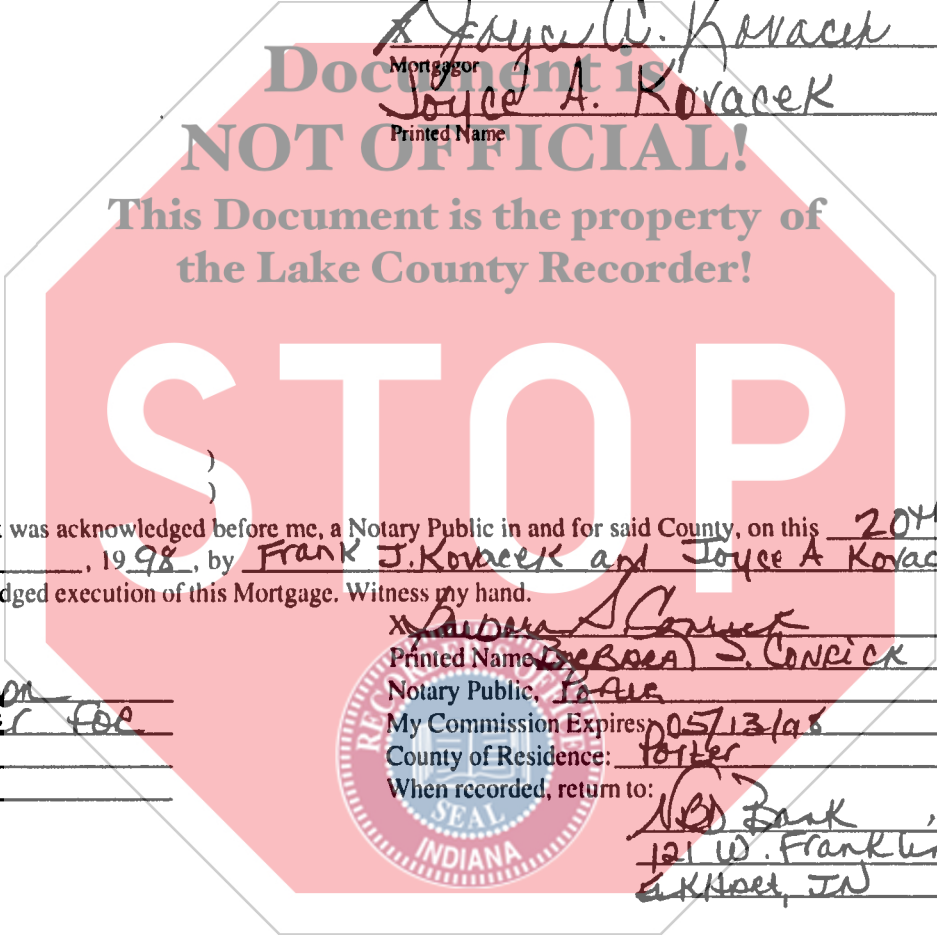
(H) **Other Terms.** We do not give up any of our rights by delaying or failing to exercise them at any time. Our rights under the loan agreement and this Mortgage are cumulative. You will allow us to inspect the Property on reasonable notice. This shall include the right to perform any environmental investigation that we deem necessary and to perform any envi-

ronmental remediation required under environmental law. Any investigation or remediation will be conducted solely for our benefit and to protect our interests. If any term of this Mortgage is found to be illegal or unenforceable, the other terms will still be in effect. We may, at our option, extend the time of payment of any part or all of the indebtedness secured by this Mortgage, reduce the payments or accept a renewal note, without the consent of any junior lienholder. No such extension, reduction or renewal shall impair the lien or priority of this Mortgage, nor release or discharge this mortgage.

By Signing Below, You Agree to All the Terms of This Mortgage.

Frank J. Kovacek  
Mortgagor  
Frank J. Kovacek  
Printed Name

Joyce A. Kovacek  
Mortgagor  
Joyce A. Kovacek  
Printed Name



STATE OF INDIANA )  
COUNTY OF Porter )

The foregoing instrument was acknowledged before me, a Notary Public in and for said County, on this 20th day of August, 1998, by Frank J. Kovacek and Joyce A. Kovacek Mortgagor(s) who acknowledged execution of this Mortgage. Witness my hand.

Prepared By: Richard Johnson  
Banking Officer for  
NAB Bank

Barbara S. Conrick  
Printed Name Barbara S. Conrick  
Notary Public, Porter County, Indiana  
My Commission Expires 05/13/98  
County of Residence: Porter  
When recorded, return to: NAB Bank  
121 W. Franklin  
Elkhart, IN

BANK COPY