

- (e) Performance by Mortgagor of the covenants and agreements of Mortgagor under the Security Agreement, the Note, this Mortgage, and the Agreement and any and all renewals, extensions, amendments, or modifications of any of the foregoing; and,
- (f) Any expense incurred in the enforcement of the Security Agreement, the Note, this Mortgage, or the Agreement, to the extent permitted by applicable law.

The above items (a) through (f) sometimes collectively referred to herein as "Obligations" or the "Obligations".

Now Therefore, in consideration of Mortgagee's extension of a loan in the total principal sum of _____ ~~eighty-six thousand nine hundred and twenty-eight and 00/100~~ (\$ ~~86928.00~~) to Mortgagor and to secure Mortgagor's repayment of said sum and performance of the Obligations as evidenced by this Mortgage, the Note and the Agreement, Mortgagor does hereby give, grant, bargain, sell and convey unto Mortgagee with mortgage covenants the real property situated in the LAKE STATION, County of LAKE, State of Indiana, and more fully described in Exhibit A attached hereto and incorporated herein by reference.

Together With any and all buildings and improvements erected or hereinafter erected thereon.

Together With any and all fixtures, and all machinery, equipment, and other articles of property, whether real estate or not, now or at any time hereafter attached to or situated in or upon, and used or useful in the operation of, the Mortgaged Property or the buildings and improvements erected or hereafter erected thereupon, specifically including the manufactured or modular home more fully described in Exhibit B attached hereto which is or will be affixed to the real property described in Exhibit A attached hereto. The Mortgagor and Mortgagee intend this Mortgage to be effective as a financing statement filed as a fixture filing as permitted by Section 9-402(6) of the Indiana Uniform Commercial Code - Secured Transactions.

Together With all building material, fixtures, machinery, and equipment delivered on site to the Mortgaged Property during the course of construction of any buildings or improvements or thereafter, if intended for addition thereto, or incorporation therein or thereon, or if suitable for any such use.

Together With all and singular the tenements, hereditaments, and appurtenances belonging to the Mortgaged Property or any part thereof, hereby mortgaged or intended so to be, or in anyway appertaining thereto (including but not limited to all income, rents, and profits arising therefrom) all streets, alleys, passages, ways, rights of way, easements, watercourses, building and joining permits, all other rights, liberties, and privileges of whatsoever kind or character, the reversions and remainders, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well at law as in equity, of Mortgagor, in and to all of the foregoing or any or every part thereof.

Said Land, buildings, improvements, fixtures, manufactured home or modular home, machinery, equipment, tenements, and other property interests being hereinafter collectively called the "Mortgaged Property".

To Have and To Hold the Mortgaged Property unto the Mortgagee, its successors and assigns forever.

Mortgagor hereby further covenants with Mortgagee as follows:

1. Mortgage Covenants: The Mortgagor covenants with the Mortgagee and its, successors and assigns, that Mortgagor is lawfully seized in fee simple of the Mortgaged Property; that the Mortgaged Property is free from all encumbrances, including, but not limited to, rights of persons to file mechanic's liens which liens do not appear of record, except: (i) zoning and building ordinances and regulations which do not prohibit or restrict the construction of the Improvements or the placing of the Home on the Mortgaged Property; (ii) real estate taxes and assessments, both general and special, which are a lien but not yet due and payable; and, (iii) easements, covenants, conditions and restrictions of record which do not interfere with construction of the Improvements or with Mortgagor's intended use of the Mortgaged Property and the Home; that the Mortgagor has good right to sell and convey the same; and that Mortgagor will warrant and will defend the same to the Mortgagee and its successors and assigns, forever, against the lawful claims and demands of all persons.

Mortgage
Land and Home/IN

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2. **Insurance Obligation:** Mortgagor will procure, deliver to, and maintain for the benefit of Mortgagee during the continuance of this Mortgage and until the same is fully satisfied and released, a policy or policies of insurance insuring the buildings and improvements now existing or hereinafter erected on the Mortgaged Property against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, vehicles, smoke, and such other hazards, casualties, and contingencies as Mortgagee may designate. All policies of insurance required hereunder shall be in such form and with such companies, as Mortgagee may accept in an amount equal to the total amount secured by this Mortgage or such lesser amount accepted by Mortgagee and shall contain the Ohio standard or other mortgagee clause acceptable to Mortgagee, with loss payable to Mortgagor and Mortgagee as their interests may appear. Mortgagor will promptly pay when due any premiums on any policy or policies of insurance required hereunder, and will deliver to Mortgagee renewals of such policy or policies at least ten (10) days prior to the expiration date(s) thereof; the said policies and renewals to be marked "paid" by the issuing company or agent. Upon Mortgagor's failure to comply with the requirements of this Section, Mortgagee may, in its discretion, effect any insurance required hereunder and pay the premiums due therefor, and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the rate then in effect under the Note.

In the event of any loss or damage, Mortgagor will give prompt notice thereof to Mortgagee. All proceeds of insurance in the event of such loss or damage shall be payable jointly to the Mortgagor, or Mortgagor's heirs, successors and assigns, and the Mortgagee its successor and assigns. All funds will be utilized by Mortgagor to the extent necessary to restore the Mortgaged Property to substantially the same condition as the Mortgaged Property existed prior to the loss or damage, unless the Mortgagor shall elect not to do so. In the latter event, Mortgagee shall then apply the proceeds to the Obligations and the balance shall be paid to Mortgagor.

3. **Payment of Taxes and Other Charges:** Mortgagor shall pay all real estate taxes, water and sewer rents, other similar claims and liens assessed or which may be assessed against the Mortgaged Property or any part thereof, without any deduction, defalcation, or abatement, not later than ten (10) days before the date on which such taxes, water and sewer rents, claims and liens commence to bear interest or penalties, and not later than such dates, shall produce to Mortgagee receipts for the payment thereof in full and shall pay every other tax, assessment, claim, lien or other encumbrances which may at any time be or become a lien upon the Mortgaged Property prior to the lien of this Mortgage; provided, however, that if Mortgagor shall in good faith, and by proper legal action, contest any such taxes, claims, liens, encumbrances, or other charges, or the validity thereof, and shall have established by deposit of cash with Mortgagee, a reserve for the payment thereof in such amount as Mortgagee may require, the Mortgagor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and so long as such contest operates to prevent collection, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagor.

Upon Mortgagor's failure to comply with the requirements of this Section, Mortgagee may, in its discretion, pay such taxes and other charges, and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor, with interest at the rate then in effect under the Note.

4. **Advances to Pay Taxes, Assessments, Insurance Premiums, and to Protect the Mortgaged Property:** In addition to any other debt or obligation secured hereby, this Mortgage shall also secure unpaid balances of advances made, plus interest thereon at the rate then in effect under the Note, by Mortgagee with respect to the Mortgaged Property, for the payment of taxes, assessments, insurance premiums, or costs incurred for the protection of the Mortgaged Property.

5. **Condemnation:** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Mortgaged Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee.

In the event of a total taking of the Mortgaged Property, the proceeds shall be applied to the Obligations, with the excess, if any, paid to Mortgagor.

In the event of a partial taking of the Mortgaged Property, unless Mortgagor and Mortgagee otherwise agree in writing, there shall be applied to the Obligations such proportion of the proceeds as is equal to that proportion which the amount of the Obligations immediately prior to the date of taking bears to the fair market value of the Mortgaged Property immediately prior to the date of taking, with the balance of the proceeds paid to Mortgagor.

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If the Mortgaged Property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Mortgagee within thirty (30) days after the date such notice is mailed, Mortgagee is authorized to collect and apply the proceeds, at Mortgagee's option, either to restoration or repair of the Mortgaged Property or to the Obligations.

Unless Mortgagee and Mortgagor otherwise agree in writing, any such application of proceeds shall not extend or postpone the due date of the Obligations or change the amount due thereon.

6. Compliance with Ordinances: Mortgagor shall comply with any municipal ordinance or regulation affecting the Mortgaged Property within thirty (30) days after notice thereof; provided, however, that if Mortgagor shall in good faith, and by proper legal action, contest any such ordinance or regulation, or the validity thereof, then Mortgagor shall not be required to comply therewith so long as such contest operates to prevent enforcement, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagor.

7. Power and Authority: Mortgagor covenants that Mortgagor has full power and authority to enter into this Mortgage and to incur the obligations provided for herein. No consent or approval of any governmental or administrative authority, instrumentality, or agency is required as a condition to the validity of this Mortgage.

8. Transfer of Title by Mortgagor: If all or any portion of the Mortgaged Property or any interest in it is sold or transferred whether voluntarily, involuntarily or by operation of law (or if a beneficial interest in Mortgagor is sold or transferred and Mortgagor is not a natural person) without Mortgagee's prior written consent, Mortgagor shall be in Default hereunder, and the Mortgagee may, at its option, require immediate payment in full of the Obligations, and upon failure to make such payment, Mortgagee shall have the right to exercise all remedies provided in this Mortgage, the Note, the Security Agreement and the Agreement or otherwise at law or in equity. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal law as of the date of this Mortgage.

9. Default: The following shall constitute Default hereunder:

- (a) The failure to pay any amount due under the Note when the same is payable.
- (b) The failure to pay any other sums required to be paid in the Note, the Agreement, the Security Agreement or in this Mortgage when the same is payable.
- (c) The failure to perform any covenant or agreement contained in the Note, the Agreement, the Security Agreement or this Mortgage.
- (d) The occurrence of any Default as defined in the Note, the Agreement, or the Security Agreement.
- (e) Transfer of any part of the Mortgaged Property as prohibited by Section 9 hereof.

10. Remedies for Default: Upon the happening of any Default, the Mortgagee shall give the Mortgagor notice prior to acceleration (but not prior to acceleration under Section 9 unless applicable law provides otherwise or as otherwise limited by the Note, the Agreement or the Security Agreement). This notice shall be sent to Mortgagor by registered or certified mail with return receipt requested and shall specify: (1) the default; (2) the action required to cure the default; (3) a date, not less than thirty (30) days from the postmark date of the notice, by which the default must be cured; and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the full amount of Principal and interest due under the Note, foreclosure by judicial proceedings of the Mortgage and the Security Agreement, and sale of the Mortgaged Property and the Home. If the default is not cured on or before the date specified in the notice, the Mortgagee at its option may require immediate payment in full of Principal and interest due under the Note without further demand, and may forthwith:

- (a) Foreclosure: Institute an action of mortgage foreclosure, or take such other action, as the law may allow, at law or in equity, for the enforcement thereof and realization on the mortgage security or any other security

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which is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire unpaid balance of the Obligations, with interest at the rate then in effect under the Note to the date of Default and thereafter together with all other sums secured by this Mortgage, all costs of suit, interest at the rate then in effect under the Note or any judgment obtained by Mortgagee from and after the date of any Sheriff's Sale of the Mortgaged Property (which may be sold in one parcel or in such parcels, manner, or order as Mortgagee shall elect) until actual payment is made by the Sheriff of the full amount due Mortgagee; and,

- (b) **Possession and Receivership:** Enter into possession of the Mortgaged Property, with or without legal action; lease the same; collect all rents and profits therefrom and, after deducting all costs of collection and administration, apply the net rents and profits to the payment of taxes, water and sewer rents, charges and claims, insurance premiums, and all other carrying charges (including but not limited to agents' compensation and fees and costs of counsel and receivers) and to the maintenance, repair, or restoration of the Mortgaged Property, or on account and in reduction of the Obligations, in such order and amounts as Mortgagee in Mortgagee's sole discretion may elect; and have a receiver appointed to enter into possession of the Mortgaged Property collect the rents and profits therefrom, and apply the same as the court may direct. Mortgagee shall be liable to account only for rents and profits actually received by Mortgagee.
- (c) **Advances:** Refuse to make further loan advances as permitted by the Agreement; and,
- (d) **Other Remedies:** Exercise any and all other rights and remedies provided by law or in the Note, the Agreement or the Security Agreement.

11. **Notice:** Except as otherwise require by this Mortgage, the Note or the Agreement, a notice which is mailed by certified mail to Mortgagor or to the person or persons who are then the owner or owners of the Mortgaged Property at the address listed herein, or at such other address as Mortgagor shall designate to Mortgagee in writing, shall be sufficient notice when notice is required under this Mortgage.

12. **Cumulative Rights and Remedies:** The rights and remedies of Mortgagee as provided herein, or in the Note, the Agreement or the Security Agreement, and the warrants therein contained, shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

13. **Indiana Law to Apply:** This Mortgage shall be construed under and in accordance with the laws of the State of Indiana.

14. **Parties Bound:** This Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, executors, administrators, legal representatives, successors, and assigns where permitted by this Mortgage.

15. **Severability:** In case any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Mortgage shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

16. **Time of Essence:** Time is of the essence of this Mortgage.

17. **Construction:** The words "Mortgagor" and "Mortgagee" include singular or plural individual or corporation, and the respective heirs, personal representatives, executors, administrators, successors, and assigns of Mortgagor and Mortgagee, as the case may be. The use of any gender applies to all genders. If more than one party is named as Mortgagor, the obligation hereunder of each such party is joint and several.

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18. **Captions:** The captions herein are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Mortgage or any particular paragraph or section hereof, nor the proper construction hereof.

19. **Fair Interpretation:** Every covenant, term, and provision of this Mortgage shall be construed simply according to its fair meaning and not strictly for or against either party.

20. **Jury Trial Waiver:** All parties hereto hereby waive trial by jury in any action, proceeding, claim, or counterclaim, whether in contract or tort, at law or in equity, arising out of or in any way related to this Mortgage.

21. **Release.** Upon payment of all Obligations secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay any recordation costs to file the release of this Mortgage for record.

22. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Mortgage, the Security Agreement, and the Agreement) may be sold one or more times without prior notice to Mortgagor. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note, the Security Agreement, the Agreement and this Mortgage. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Mortgagor will be given written notice of the change in accordance with Section 12 above and applicable law. The notice will also contain any other information required by applicable law.

23. **Future Advances:** The parties intend this Mortgage to secure future advances as permitted by Section 32-8-11-9 of the Indiana Code. The maximum amount of unpaid loan indebtedness, exclusive of interest thereon and advancements made pursuant hereto, which may be outstanding at any time is eighty-six thousand nine hundred and twenty-eight and 00/100 Dollars (\$ 86928.00).

The following additional provisions are a part of this Mortgage if a mark appears in the box in the left hand margin immediately opposite such additional provisions.

24. **Funds for Taxes and Insurance.** Subject to applicable law, Mortgagor shall pay to Mortgagee on the day monthly payments are due under the Note, until the Note is paid in full, an amount equal to one-twelfth of the sum of the following items ("Funds"): (a) yearly taxes and assessments which may attain priority over this Mortgage as a lien on the Mortgaged Property; (b) yearly leasehold payments or ground rents on the Mortgaged Property, if any; (c) yearly hazard or property insurance premiums; and, (d) yearly flood insurance premiums, if any. These items are called "Escrow Items." Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Mortgagor's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Mortgagee may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Mortgagee, if Mortgagee is such an institution) or in any Federal Home Loan Bank. Mortgagee shall apply the Funds to pay the Escrow Items. Mortgagee may not charge Mortgagor for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Mortgagee pays Mortgagor interest on the Funds and applicable law permits Mortgagee to make such a charge. However, Mortgagee may require Mortgagor to pay a one-time charge for an independent real estate tax reporting service used by Mortgagee in connection with the loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Mortgagee shall not be required to pay Mortgagor any interest or earnings on the Funds. Mortgagor and

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Mortgagee may agree in writing, however, that interest shall be paid on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose of which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Mortgage.

If the Funds held by Mortgagee exceed the amount permitted to be held by applicable law, Mortgagee shall account to Mortgagor for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Mortgagee at any time is not sufficient to pay the Escrow Items when due, Mortgagee may so notify Mortgagor in writing, and, in such case Mortgagor shall pay to Mortgagee the amount necessary to make up the deficiency. Mortgagor shall make up the deficiency in no more than twelve monthly payments, at Mortgagee's sole discretion.

Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee. If, under Section 11, Mortgagee shall acquire or sell the Mortgaged Property, Mortgagee, prior to the acquisition or sale of the Mortgaged Property, shall apply any Funds held by Mortgagee at the time of acquisition or sale as a credit against the sums secured by this Mortgage.

25. Construction Mortgage Provisions: This Mortgage secures an obligation incurred, in part, for the purpose of financing Mortgagor's construction of improvements to the Mortgaged Property, and may include the cost of acquiring the Mortgaged Property, paying off prior encumbrances thereon and is a construction mortgage pursuant to the Uniform Commercial Code.

Mortgagor in order to protect the Mortgagee's interest, hereby assigns to Mortgagee any and all of Mortgagor's rights or claims which relate to the construction of the improvements on the Mortgaged Property and which Mortgagor may have against any party supplying or who has supplied labor, materials or any other work or product in connection with the construction of improvements on the Mortgaged Property.

The Mortgage is not intended to be a construction mortgage and Mortgagee assumes no obligation or responsibility whatsoever with respect to following the statutory procedures to assure that the Mortgaged Property is free from mechanic's liens or other types of liens (except as required). Mortgagee does not, in any way, act as agent or trustee of Mortgagor, nor does it intend, in any way, to act for or on behalf of Mortgagor with respect to the disbursement of the proceeds of the Note. Supervision of the disbursements of the proceeds of the Note by Mortgagee is intended solely to protect the interest of Mortgagee in the Mortgaged Property. Mortgagee assumes no responsibility for the completion of any improvements on the Mortgaged Property or the payment or other details in connection with the Mortgaged Property and the improvements, any plans and specifications in connection with the same, or Mortgagor's relations with any contractors, laborers, or materialmen.

The Mortgage is not to be construed by Mortgagor, or any other party who furnishes labor, materials, or any other work or product for the improving of the Mortgaged Property, as an agreement on the part of the Mortgagee to assure that any party will be paid for furnishing labor, materials, or any other work or product. Any such party must look entirely to the Mortgagor for payment. Mortgagee assumes no responsibility for the architectural or structural soundness of any improvement on the Mortgaged Property or for the approval of any plans and specifications (any review thereof being solely for Mortgagee's purposes) or for any improvements as finally completed.

26. Incorporation of Term of Agreement. This Mortgage is delivered to Mortgagee pursuant to the terms of that certain Land, Home, and Construction Loan Agreement dated the same date as this Mortgage (the "Agreement"). The terms, definitions, provisions, representations, warranties and covenants contained therein are hereby incorporated by reference as though fully set forth herein. Capitalized terms not defined herein shall have the meaning assigned to such terms in the Agreement. If this provision is not made a part of this Mortgage, all references to the Agreement contained herein shall be disregarded.

27. Security Agreement. The Note is also secured by a Security Agreement from Mortgagor to Mortgagee dated the same date as this Mortgage pledging as collateral a manufactured home which is or will be affixed to the real property described in Exhibit A attached hereto (the Security Agreement). If this provision is not made a part of this Mortgage, all references to the Security Agreement contained herein shall be disregarded.

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In Witness Whereof, Mortgagor has executed this Mortgage on August 20, 1999

Signed and Acknowledged
in the Presence of:

Jacki Hahn
Walt Partyka

Robert H Svetanoff
SVETANOFF, ROBERT H

State of Indiana

ST. JOSEPH County:

ss:

**Document is
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the Lake County Recorder!**

On AUGUST 20, 1999, before me a Notary Public in and for said County and State personally appeared the above named SVETANOFF, ROBERT H - Unmarried

, who executed the foregoing instrument and acknowledged that they did examine and read the same and did sign the foregoing instrument, and that the same is their free act and deed.

In Witness Whereof, I have hereunto set my hand and official seal on AUGUST 20, 1999.

(SEAL)

WALTER J. PARTYKA
Notary Public, State of Indiana
St. Joseph County
My Commission Expires April 8, 2007

Walt Partyka
Notary Public

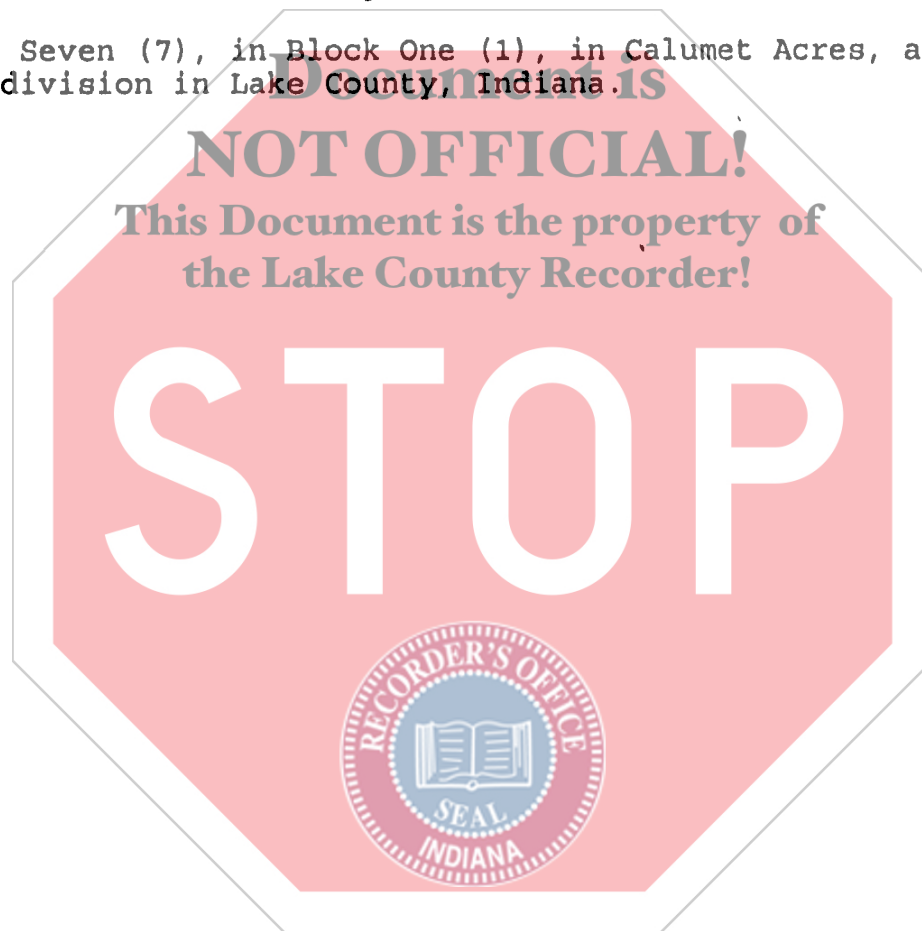
This instrument prepared by: EDIE CRAWFORD
FIRSTMERIT BANK, N.A.
111 GLAMORGAN ST
ALLIANCE, OH 446010060

When Recorded Return to:

Exhibit "A"
Description of Mortgaged Property

Situated in Lake County, in the State of Indiana:

Lot Seven (7), in Block One (1), in Calumet Acres, a
subdivision in Lake County, Indiana.



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Exhibit "B"
Description of Manufactured or Modular Home

Year: 1999

Make: FORTUNE

Model: GC505ES

Description: 32X76

Description of Accessories: _____

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