

PREPARED BY

Nancy O'Donnell

Nancy O'Donnell

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

99088005

99 OCT 27 AM 8:30

Morgan Stanley Dean Witter Credit Corporation
4909 EAST 26TH STREET,
SIOUX FALLS, SD 57110

Loan Number: 940-2-390-393783

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

<p>Morgan Stanley Dean Witter Credit Corporation</p>	<p>INDIANA MORTGAGE AND SECURITY AGREEMENT</p>
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**(THIS MORTGAGE AND SECURITY AGREEMENT SECURES A LINE OF CREDIT
AGREEMENT WHICH PROVIDES, SUBJECT TO CERTAIN CONDITIONS, FOR
OBLIGATORY ADVANCES AND FOR A VARIABLE INTEREST RATE)**

THIS Mortgage, is made **October 19, 1999**
among the Mortgagor, (herein "Borrower") **MICHAEL J PANAGIOTIS and SANDRA D
PANAGIOTIS**
with the Property Vesting/Relationship of **HUSBAND AND WIFE**
whose mailing address is **2105 Robin Hood Boulevard
Scherverville, IN 46375**
and the Mortgagee (herein "Lender") **Morgan Stanley Dean Witter Credit Corporation
2215 SANDERS ROAD SUITE 300
NORTHBROOK, IL 60062**

**MAXIMUM AMOUNT SECURED: One Hundred Fifty-Six Thousand and 00/100 Dollars
(\$156,000.00).**

**ADVANCE MADE AT TIME OF MORTGAGE: One Hundred Fifty-Six Thousand and 00/100 Dollars
(\$156,000.00).**

WHEREAS, Lender and Borrower have entered into an Agreement and Disclosure Statement (the "Agreement") pursuant to which Lender has agreed from time to time to make loans to Borrower under an arrangement whereby Borrower may borrow, repay and borrow again during the term of the Agreement.

WHEREAS, Borrower's initial credit limit under said Agreement is One Hundred Fifty-Six Thousand and 00/100 Dollars (\$156,000.00) and the maximum amount that may be secured by this Mortgage is One Hundred Fifty-Six Thousand and 00/100 Dollars (\$156,000.00) (hereinafter sometimes referred to as "Principal Amount"), the outstanding balance of which, if not sooner paid is due and payable on November 19, 2009.

TO SECURE to Lender (a) the repayment of all indebtedness due and to become due under the terms and conditions of the Agreement and Disclosure Statement (the "Agreement") executed by Borrower and dated the same day as this Mortgage, and all modifications, extensions and renewals thereof, which Agreement provides that Lender shall make advances to Borrower of a revolving nature and that such advances may be made, repaid and remade from time to time, subject to the limitation that the total outstanding principal balance owing at any one time under the Agreement (not including finance charges thereon at a rate which will vary from time to time, and other fees and charges which may from time to time be owing under the Agreement) shall not exceed the Amount Secured designated on the first page of this Mortgage; (b) the payment of all other sums advanced in accordance herewith to protect the security of this Mortgage, including reasonable attorney's fees, with finance charges thereon at the variable rate described in the Agreement; and (c) the performance of the covenants and agreements contained herein and in the Agreement, Borrower does hereby mortgage and warrant, grant and convey to Lender the following described property located in the County of Lake, State of Indiana.

**THE FOLLOWING DESCRIBED REAL ESTATE IN LAKE COUNTY, IN THE STATE OF
INDIANA, TO WIT: LOT 189 IN SHERWOOD FOREST 9TH ADDITION TO THE TOWN
OF SCHERVILLE, AS RECORDED IN PLAT BOOK 43, PAGE 73 IN THE OFFICE OF
THE RECORDER OF LAKE COUNTY, INDIANA.**

CK# 109783

\$19.00

Check is \$1.00 over

BN

which has the address of:
(herein "Property Address").

2105 Robin Hood Boulevard
Scherverville, IN 46375

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are herein referred to as the "Property."

BORROWER covenants that Borrower lawfully owns the Property, has the right to mortgage the Property, that the Property is unencumbered, except for the encumbrances of record and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

1. Payment of Principal and Finance Charges. Borrower agrees to promptly pay when due the principal and finance charges on the indebtedness evidenced by the Agreement, other charges as provided in the Agreement and this Mortgage, and the principal of and finance charges on any other advances secured by this Mortgage.

2. Application of Payments. Unless applicable law provides otherwise or Lender otherwise chooses, all payments received by Lender under the Agreement shall be applied by Lender, first, to any finance charges collection costs and other charges owing under the Agreement or this Mortgage, second, to the principal balance under the Agreement.

3. Charges; Liens. Borrower agrees to pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain priority over this Mortgage and leasehold payments or ground rents, if any, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph and in the event Borrower makes payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage (excluding the lien of any Prior Encumbrance); provided that Borrower shall not be required to discharge any such lien so long as Borrower shall (a) agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or (b) in good faith contest such lien by, or defend enforcement of such lien in legal proceedings which operate to prevent the enforcement of the other lien or forfeiture of the Property or any part of the Property and the proceedings are approved in writing by the Lender, or (c) secure from the holder of such prior lien an agreement in form satisfactory to Lender subordinating such lien to this Mortgage. If Borrower does not secure any acceptance or approval of the Lender within ten (10) days, the existence of the lien may be considered by Lender as an event of default. Any default by Borrower under the terms of any Prior Encumbrance shall constitute a default under this Mortgage.

4. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require. Unless Lender in writing requests otherwise, the policy shall provide insurance on a replacement cost basis in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the hazard insurance policy. The amount of coverage shall be no less than Borrower's credit limit under the Agreement plus the full amount of any superior lien on the Property.

The insurance carrier providing insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 6. All premiums on insurance policies shall be paid by Borrower when due, directly to the insurance carrier.

All insurance policies and renewals shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible, and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower failed to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, such application of proceeds to principal shall not extend or postpone the due date of the payments due under the Agreement and this Mortgage or change the amount of such payments. If by foreclosure or deed in lieu of foreclosure the Property is

acquired by Lender, all rights, title and interest of Borrower in any insurance policies and in the proceeds of the policies resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

If all or part of the Property is damaged or destroyed by a third party and sums are due from that party or its insurer as a result whether due to judgment, settlement or other process, those sums shall be applied in the same manner as insurance proceeds under this paragraph 4.

5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is signed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the provisions of this Mortgage as if the rider were a part of this Mortgage.

6. Protection of Lender's Security. If Borrower fails to perform the promises and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement (which shall include the custom and procedure of the Lender in effect from time to time) or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 6, with finance charges assessed on such amounts, shall become additional indebtedness of Borrower secured by this Mortgage, unless otherwise provided in the Agreement or unless to secure the indebtedness would cause Lender to be in violation of a consumer protection law, in which case Lender waives security to the extent necessary to avoid a violation. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment, and shall bear finance charges from the date of disbursement at the rate payable from time to time on the outstanding principal under the Agreement, unless payment at such rate would be contrary to applicable law, in which event such amounts shall bear finance charges from that date of disbursement at the highest rate permissible under applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take action under this Mortgage. Any action taken by Lender under this paragraph 6 shall not cure any default Borrower may have committed of any agreement under the Mortgage. Borrower agrees that any advance notification to Borrower required by law before Lender may perform duties of the Borrower shall be satisfied if mailed to Borrower's address as provided in this Mortgage five (5) days before, or if delivered to Borrower two (2) days before such performance.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

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

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

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

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly payments due under the Agreement and this Mortgage or change the amount of such payments.

9. Borrower not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage or release of any security for the obligations secured hereby, or any other amendment to the Agreement or this Mortgage granted by Lender to Borrower or to any successor in interest of Borrower, shall not operate to release, in any manner, the liability of Borrower or Borrower's successors, as the case may be. Lender shall not be required to commence proceedings against any successor in interest of Borrower or refuse to extend time for payment or otherwise modify amortization of

the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successor in interest.

10. Forbearance by Lender not a Waiver. Any forbearance by Lender in exercising any right or remedy under this Mortgage, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Captions. The promises and agreements in this Mortgage shall bind, and the rights under this Mortgage shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of the paragraph 16. All promises and agreements of Borrower shall be joint and several, provided that, the Borrower does not sign the Agreement, that Borrower is signing this Mortgage only to grant by way of mortgage that person's rights in the Property to Lender and that person is not personally obligated to make payments under the Agreement and the Mortgage. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define its provisions.

13. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided in this Mortgage shall be given by personally delivering such notice to Borrower or by mailing such notice by first class mail addressed to Borrower to the Property or at such other address as Borrower may designate by notice to Lender as provided in this Mortgage, and (b) any notice to Lender shall be given by first class mail to Lender's address stated in this Mortgage or to such other address as Lender may designate by notice to Borrower as provided in this Mortgage.

14. Uniform Mortgage; Governing Law; Severability. This form of Mortgage combines uniform provisions for national use and non-uniform provisions with limited variations by jurisdiction to constitute a uniform mortgage covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located, except to the extent pre-empted by federal law. In the event that any provision or clause of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage which can be given effect without the conflicting provisions, and to this end the provisions of this Mortgage are declared to be severable.

15. Borrower's Copy. Borrower shall be furnished with a conformed copy of the Agreement and this Mortgage at the time of signing or after recordation but no failure of the Borrower to receive the same shall impair the contract of the parties.

16. Transfer of the Property or a Beneficial Interest In Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at Lender's option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

17. Sale of Note; Change of Loan Servicer. The Note or partial interest in the Note (together with this Mortgage) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Mortgage. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. Borrower will be given written notice of the change in accordance with this Mortgage and applicable law. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 13 above and applicable law. The notice will state the name and address and the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

18. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, law suit or other action by any law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Borrower shall promptly pay all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 18 "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environment Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 18,

"Environmental Law" means federal laws or the jurisdiction where the Property is located that relate to health, safety or environmental protection.

19. **Post Judgment.** Borrower agrees that the interest rate payable after a judgment is entered on the Note or in an action of mortgage foreclosure, shall be the rate stated in the Note or, if the state does not permit the Lender to charge the Note rate, then the judgment rate required under applicable law shall apply.

Any advances made by Lender after a judgment on the Note or in an action of mortgage foreclosure, including, but not limited to payments of insurance premiums and real estate taxes, shall become additional indebtedness of the Borrower and shall continue to be the application of the Borrower until the indebtedness is paid in full.

20. **Acceleration; Remedies.** In the event of a default under this Mortgage, which shall include any event of default under the Agreement, Lender, at Lender's option, may declare all of the sums secured by this Mortgage, to be immediately due and payable without further demand and may invoke any remedies permitted by applicable law and granted in this Mortgage. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing remedies and allowed by law, including, but not limited to, reasonable attorney's fees with regard to an attorney who is not Lender's salaried employee. Lender's acceleration of the sums secured by this Mortgage and foreclosure of this Mortgage is subject to any limitation provided in the Agreement as well.

21. **Assignment of Rents; Appointments of Receiver; Lender In Possession.** As additional security, Borrower to the extent permitted by law assigns the rents of the Property to Lender, provided that Borrower shall, prior to acceleration upon default or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

In addition, upon acceleration under the terms of this Mortgage or abandonment of the Property, Borrower agrees that Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and in that capacity collect the rents of the Property including those past due. All rents collected by Lender, either in person or by agent, or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees with regard to an attorney who is not Lender's salaried employee, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for these rents actually received.

Borrower and all lessees agree that no modification or termination or renewal of a lease prior or subsequent to acceleration or advance payment and collection of rents and profits will be effective against the Lender unless Lender consents in writing.

The Borrower agrees the Borrower will not assign or pledge the rents and profits of the Property to any other Person.

22. **Release.** Upon payment of all sums secured by this Mortgage and the termination of the Agreement, Lender shall provide a release of this Mortgage.

23. **Appraisement.** The Lender's remedies upon the Borrower's default are without limitation or any valuation and appraisement laws and Borrower hereby waives all right to valuation and appraisement.


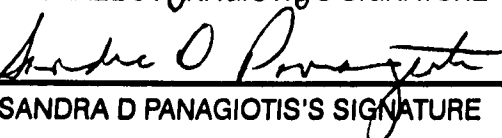
24. **No Merger.** There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the prior written consent of Lender.

25. **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

26. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Mortgage, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider(s) were a part of this Mortgage. [applicable rider(s) shown checked below.]

- | | | | |
|--------------------------|--------------------------------|--------------------------|-----------------------|
| <input type="checkbox"/> | Condominium Rider | <input type="checkbox"/> | Second Home Rider |
| <input type="checkbox"/> | 1-4 Family Rider | <input type="checkbox"/> | Adjustable Rate Rider |
| <input type="checkbox"/> | Planned Unit Development Rider | <input type="checkbox"/> | Bridge Loan Rider |
| <input type="checkbox"/> | Trust Rider | | |

By signing below, Borrower agrees to all of the above.

	<u>309 42 7129</u>	<u>10/19/99</u>
MICHAEL J PANAGIOTIS'S SIGNATURE	SSI#	DATE
	<u>315-42-3113</u>	<u>10-19-99</u>
SANDRA D PANAGIOTIS'S SIGNATURE	SSI#	DATE

ACKNOWLEDGMENT

STATE OF INDIANA)
COUNTY OF LAKE) SS:

NOTARY

On this 19 day of October before me, the undersigned, a Notary Public in and for said County and State, personally appeared Michael & Sandra

Pansajotis (Husband & Wife) personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that he/she/they executed the same as his/her/their free and voluntary act and deed for the uses and purposes therein set forth.

October 19, 99

Witness my hand and official seal

Dawn Morario
Notary Public

DAWN L MORARIO
Printed name of Notary

My Commission Expires: Oct 3, 2007

411 LINCOLN HWY
(Notary's Address)

My County residence is Lake

