

SB20000575LD REAL ESTATE MORTGAGE

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This Real Estate Mortgage ("Mortgage") is given on the 3rd day of August, 2000

by Todd DeGroot

("Borrower"), whose address is 2000 056710

to Donald L. Smulski, Sr. and Geraldine J. Smulski

("Lender"), whose address is 5005 W. 101st Avenue, Crown Point, Indiana 46307

Borrower owes Lender the principal sum of Twelve Thousand Dollars (U.S. \$ 12,000.00)

This debt is evidenced by Borrower's note or other indebtedness dated August 3, 2000

("Note"), which provides for payment in full on or before August 1, 2003. This Mortgage secures to Lender: (a) the repayment of the Note, with interest, and all renewals, extensions, and modifications of the Note; (b) the payment of all other sums advanced under this Mortgage, with interest; (c) the performance of Borrower's covenants and agreements under this Mortgage and the Note; and (if Borrower initials here) (d) future obligations of Borrower to Lender, and future advances by Lender to Borrower, in a total principal amount not to exceed \$. For these purposes, Borrower mortgages and warrants to Lender, and to Lender's successors and assigns, the following described real estate ("Real Estate") located in

Lake County, Indiana:

Lot 78 in White Oak Avenue Addition to Hammond, as per plat thereof, recorded in Plat Book 16 page 19, in the Office of the Recorder of Lake County, Indiana.

Commonly known as 1524 Hoffman St., Hammond, IN 46327

Tax Key No.: 36-325-88

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TOGETHER WITH (a) all improvements, replacements, additions, and fixtures on the Real Estate, and (b) all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights, growing crops, and timber relating to the Real Estate, all of which are referred to collectively as "Additions", in each case as any of them now exist or may be made, erected, attached, or acquired in the future. The Real Estate and its Additions are called the "Property".

The address of the Property is 1524 Hoffman St., Hammond, Indiana ("Property Address").

COVENANTS OF PARTIES. Borrower and Lender covenant and agree as follows:

1. BORROWER'S COVENANTS AND WARRANTIES REGARDING REAL ESTATE. Borrower covenants and warrants to Lender that, as to the Property existing at the time of the execution of this Mortgage, Borrower is lawfully seized of the estate conveyed by this Mortgage, that Borrower has the right to mortgage and grant the Property, that Borrower has good and marketable title to the Property, and that the Property is unencumbered, except for encumbrances of record, and such other encumbrances described in a notice given by Borrower to Lender ("Encumbrances"). Borrower warrants and will defend the title to the Property against all claims and demands, subject to the Encumbrances.

2. SECURITY INTEREST IN FIXTURES. Borrower grants Lender a security interest in any fixtures now or later attached to the Real Estate. Borrower authorizes Lender, at Borrower's expense and on Borrower's behalf, to execute and file a financing statement or statements in each public office deemed necessary by Lender to perfect its security interest in such fixtures.

3. PAYMENT OF NOTE. Borrower shall pay, when due, all sums payable under the Note, including (but not being limited to) principal, interest, late charges, and prepayment penalty or premium.

4. ESCROW FOR TAXES, ASSESSMENTS, AND INSURANCE. If Borrower initials here, or if Lender gives notice under section 4.7, Borrower shall begin, and then continue, to make payments for escrow items as provided in this section 4.

4.1 Borrower shall pay to Lender, at the same time monthly or periodic payments are due on the Note, a sum estimated by Lender (based on current data and reasonable estimates of future escrow items) to be sufficient to pay, when due, the following items (called "escrow items"):

- 4.1.1 Real estate taxes and assessments on the Property; and
4.1.2 Hazard insurance premiums.

4.2 Lender shall deposit all sums so paid into an account in an institution (which may include Lender) whose deposits are insured or guaranteed by a federal or state agency. The account shall clearly show that it is an escrow account for Borrower's escrow items. Lender shall apply the escrow account for the payment of escrow items. If the escrow account is not sufficient, Borrower shall pay to Lender the deficiency in one or more payments as Lender may require.

4.3 If the escrow account, together with future payments into it to be made by Borrower, is likely in Lender's reasonable estimation to exceed 120% of the amount needed to pay escrow items when due, the excess in the account shall be promptly either (a) credited to adjust payments for escrow items, or (b) repaid to Borrower, as Borrower may elect.

4.4 Unless Lender agrees or applicable law requires, Lender shall not be obligated to pay or credit Borrower with any interest on sums Borrower has paid under this section 4. However, Lender may deposit sums in the escrow account to earn interest. If interest is so earned, Lender may retain interest earnings as compensation for administrative expenses incurred in making the deposit, and Borrower shall have no right to such earnings.

4.5 Lender may not make any additional charges for holding or applying such escrowed sums, for analyzing or verifying an account of them, or for performing any other administrative act in relation to them.

4.6 When all sums secured by this Mortgage have been paid in full, Lender shall promptly refund to Borrower all sums remaining in Borrower's escrow account. If, however, Lender exercises a remedy available under this Mortgage for default of Borrower, Lender need not refund to Borrower, but instead may apply such sums as credit against sums secured by this Mortgage.

4.7 If an Event of Default (as defined in section 17.1) occurs, Lender may require Borrower to make payment for the escrow items described in section 4. In such event, Lender shall give at least 15 days notice to Borrower that such payment will be required. The notice shall specify the amount of the payment, and the date the first payment is to be made.

4.8 The remedy provided to Lender in section 4.7 is not exclusive, and is available to Lender in addition to the other remedies described in section 17.3.

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21. WAIVER OF VALUATION AND APPRAISEMENT. Borrower waives all right of valuation and appraisal laws.

22. AUTHORITY TO SIGN. Each person signing this Mortgage in a representative capacity on behalf of Borrower warrants and represents to Lender that:

22.1 The person so signing this Mortgage has the actual authority and power to so sign, and to bind Borrower to this Mortgage; and

22.2 All corporate action necessary for the making of this Mortgage has been duly taken.

23. MISCELLANEOUS.

23.1 Governing Law. This Mortgage shall be governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the State of Indiana.

23.2 Headings. Section headings are included solely for convenience, and in no event shall affect or be used in connection with the interpretation of this Mortgage.

23.3 Time of Essence. Time is of the essence in this Mortgage.

23.4 Computation of Time. In computing a time period prescribed in this Mortgage, the day of the act or event shall not be counted. All subsequent days, including intervening weekend days and holidays, shall be counted in the period. The last day of the period so computed is to be included unless it is a weekend day or a legal holiday under Indiana Law, in which case the period is to be extended to the next day that is not a weekend day or a legal holiday.

24. ADDITIONAL COVENANTS.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Mortgage and in any rider(s) executed by Borrower and recorded with it, and Borrower acknowledges receipt of a conformed copy of this Mortgage.

Todd DeGroot
(Signature)

Todd DeGroot
(Printed/Typed Name)

(NAME OF CORPORATION)

By: _____
(Signature)

(Printed/Typed Name and Office)

STATE OF INDIANA
COUNTY OF LAKE

SS:

On this 3rd day of August 2000, 199, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Todd DeGroot and acknowledged the execution of the foregoing Mortgage.

Witness my hand and official seal.

My Commission Expires:
12-28-06

Brenda Schovich
(Signature of Notary Public)
Brenda Schovich
(Printed/Typed Name of Notary Public)

Resident of Porter County, Indiana

STATE OF INDIANA
COUNTY OF _____ SS:

On this _____ day of _____, 199, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ and _____ as _____ and _____ respectively of _____ who acknowledged execution of the foregoing Mortgage for and on behalf of Borrower.

Witness my hand and official seal.

My Commission Expires:

(Signature of Notary Public)

(Printed/Typed Name of Notary Public)

Resident of _____ County, Indiana

This instrument prepared by: Jeffrey A. Harkin Attorney at Law, Attorney No. 18684-45

Mail to: 252 Wildwood Rd., Ste. 101, Hammond, IN 46324 (219) 933-9339

