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2002 00007

State of Indiana

Space Above This Line For Recording Data

MORTGAGE DLG/SE

(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is JANUARY 14, 2002

The parties and their addresses are:

MORTGAGOR:

PHILLIP J. MULLENS, JR
HUSBAND
7720 W. 83RD LN.
CROWN PONT, IN 46307

ERIKA J. MULLENS *EM*
WIFE
7720 W. 83RD LN.
CROWN PONT, IN 46307

If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

LENDER:

SAND RIDGE BANK
ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF INDIANA
P.O. BOX 598
SCHERERVILLE, IN 46375

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys, mortgages and warrants to Lender the following described property:

LOTS 6 AND 7 IN HEATHER HILLS UNIT NO. 1 AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 44, PAGE 16, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA EXCEPT THAT PART OF LOT 6 DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 6; THENCE NORTHEASTERLY ALONG A CURVE CONCAVED TO THE SOUTHEAST, HAVING A RADIUS OF 60.00 FEET, A CENTRAL ANGLE OF 28 DEGREES 59 MINUTES 7 SECONDS FOR 30.3585 FEET ALONG THE ARC SO FORMED, TO A POINT OF NON-TANGENCY; THENCE NORTH 17 DEGREES 23 MINUTES 27.5 SECONDS WEST, 177.25 FEET TO THE NORTHERLY LINE OF SAID LOT 6; THENCE NORTH 77 DEGREES 38.00 SECONDS WEST 83.67 FEET ALONG THE NORTHERLY LINE OF SAID LOT 6; THENCE SOUTH 13 DEGREES 21 MINUTES 46 SECONDS WEST, 20.00 FEET; THENCE SOUTH 32 DEGREES 04 MINUTES 06 SECONDS EAST, 208.49 FEET; TO THE POINT OF BEGINNING.

The property is located in LAKE at
(County)
7720 W. 83RD LN., CROWN PONT Indiana 46307
(Address) (City) (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed \$ 14,000.00 This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

4. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:
A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (You must specifically identify the debt(s) secured and include the final maturity date of such debt(s).)

READY RESERVE NOTE #973-8492-0 DATED JANUARY 14, 2002, IN THE NAMES OF PHILLIP J MULLENS JR. AND ERIKA J. MULLENS FOR THE AMOUNT OF \$14,000.00 AND RENEWALS THEREOF UNTIL JANUARY 19, 2017.

EM *EM*

#5561
Bankers Title

CK #5520
15-0

[Handwritten signatures]

pass to Lender to the extent of the Secured Debt immediately before the acquisition. Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagee. If the Property is acquired by Lender, Mortgagee's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall

make proof of loss if not made immediately by Mortgagee. Upon loss, Mortgagee shall give immediate notice to the insurance carrier and Lender. Lender may require, upon loss, Mortgagee shall immediately give to Lender all receipts of paid premiums and renewal notices. Lender shall have the right to hold the policies and renewals. If cancellation or termination of the insurance, Mortgagee shall immediately notify Lender of "clause" and, where applicable, "loss payable clause." Mortgagee shall include a standard "mortgage All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage to protect Lender's rights in the Property according to the terms of this Security Instrument.

Mortgagee fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to be chosen by Mortgagee subject to Lender's approval, which shall not be unreasonably withheld. If risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall insure. Mortgagee shall keep Property insured against loss by fire, flood, theft and other hazards and

document. Proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien considered payments and will be applied as provided in this Security Instrument. This assignment of connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be described actions or claims. Mortgagee assigns to Lender the proceeds of any award or claim for damages any other means. Mortgagee authorizes Lender to intervene in Mortgagee's name in any of the above or public entities to take any or all of the Property through condemnation, eminent domain, or Condemnation. Mortgagee will give Lender prompt notice of any pending or threatened action, by private or regulations of the condominium or planned unit development.

a planned unit development, Mortgagee will perform all of Mortgagee's duties under the covenants, by-laws, or any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or Leaseholds; Condominiums; Planned Unit Developments. Mortgagee agrees to comply with the provisions of any instrument.

Lender's right to perform for Mortgagee shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. Lender as attorney in fact to sign Mortgagee's name or pay any amount necessary for performance. Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagee Authority to Perform. If Mortgagee fails to perform any duty or any of the covenants contained in this Lender's benefit and Mortgagee will in no way rely on Lender's inspection.

specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagee notice at the time of or before an inspection Property.

Lender of all demands, proceedings, claims and actions against Mortgagee, and of any loss or damage to the license, restrictive covenant or easement without Lender's prior written consent. Mortgagee will notify substantially change without Lender's prior written consent. Mortgagee will not permit any change in any or deterioration of the Property. Mortgagee agrees that the nature of the occupancy and use will not make all repairs that are reasonably necessary. Mortgagee shall not commit or allow any waste, impairment, Property Condition, Alterations and Inspection. Mortgagee will keep the Property in good condition and Property.

defenses Mortgagee may have against parties who supply labor or materials to maintain or improve the Security Instrument. Mortgagee agrees to assign to Lender, as requested by Lender, any rights, claims or payment. Mortgagee will defend title to the Property against any claims that would impair the lien of this to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagee's ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagee Claims Against Title. Mortgagee will pay all taxes, assessments, liens, encumbrances, lease payments, lien document without Lender's prior written approval.

modification or extension of, not to request any future advances under any note or agreement secured by the all payments when due and to perform or comply with all covenants. Mortgagee also agrees not to allow any document that created a prior security interest or encumbrance on the Property, Mortgagee agrees to make Prior Security Interests. With regard to any other mortgage, deed of trust, security agreement or other lien

accordance with the terms of the Secured Debt and this Security Instrument. Payments. Mortgagee agrees that all payments under the Secured Debt will be paid when due and in

breach if it happens again. Lender may refuse to make additional extensions of credit and reduce the credit limit. By not exercising either remedy on Mortgagee's breach, Lender does not waive Lender's right to later consider the event a

under the Secured Debt and this Security Instrument. If Mortgagee breaches any covenant in this section, Lender may refuse to make additional extensions of credit and reduce the credit limit. By not exercising

interest in the Mortgagee's principal dwelling that is created by this Security Instrument (but does not waive additional indebtedness secured under paragraph B of this Section, Lender waives any subsequent security in the event that Lender fails to provide any necessary notice of the right of rescission with respect to any

under the terms of this Security Instrument. protecting the Property and its value and any other sums advanced and expenses incurred by Lender D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise between Mortgagee and Lender.

law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement C. All other obligations Mortgagee owes to Lender, which may later arise, to the extent not prohibited by separate writing.

additional or future loans or advances in any amount. Any such commitment must be agreed to in a Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make advanced. All future advances and other future obligations are secured as if made on the date of this

Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagee, or any one or more Mortgagee and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be referred. If more than one person signs this Security Instrument, each Mortgagee agrees that this favor of Lender after this Security Instrument whether or not this Security Instrument is specifically under any promissory note, contract, guaranty, or other evidence of debt executed by Mortgagee in

5.

Financial Reports and Additional Documents. Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property. In addition, Lender may file a financing statement signed by the Lender instead of Mortgagor with the appropriate public officials.

6. **WARRANTY OF TITLE.** Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell, mortgage and warrant the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.
7. **DUE ON SALE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.
8. **DEFAULT.** Mortgagor will be in default if any of the following occur:

Fraud. Any Consumer Borrower engages in fraud or material misrepresentation in connection with the Secured Debt that is an open end home equity plan.

Payments. Any Consumer Borrower on any Secured Debt that is an open end home equity plan fails to make a payment when due.

Property. Any action or inaction by the Borrower or Mortgagor occurs that adversely affects the Property or Lender's rights in the Property. This includes, but is not limited to, the following: (a) Mortgagor fails to maintain required insurance on the Property; (b) Mortgagor transfers the Property; (c) Mortgagor commits waste or otherwise destructively uses or fails to maintain the Property such that the action or inaction adversely affects Lender's security; (d) Mortgagor fails to pay taxes on the Property or otherwise fails to act and thereby causes a lien to be filed against the Property that is senior to the lien of this Security Instrument; (e) a sole Mortgagor dies; (f) if more than one Mortgagor, any Mortgagor dies and Lender's security is adversely affected; (g) the Property is taken through eminent domain; (h) a judgment is filed against Mortgagor and subjects Mortgagor and the Property to action that adversely affects Lender's interest; or (i) a prior lienholder forecloses on the Property and as a result, Lender's interest is adversely affected.

Executive Officers. Any Borrower is an executive officer of Lender or an affiliate and such Borrower becomes indebted to Lender or another lender in an aggregate amount greater than the amount permitted under federal laws and regulations.

9. **REMEDIES ON DEFAULT.** In addition to any other remedy available under the terms of this Security Instrument, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions.

At the option of the Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it happens again.

10. **EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** If Mortgagor breaches any covenant in this Security Instrument, Mortgagor agrees to pay all expenses Lender incurs in performing such covenants or protecting its security interest in the Property. Such expenses include, but are not limited to, fees incurred for inspecting, preserving, or otherwise protecting the Property and Lender's security interest. These expenses are payable on demand and will bear interest from the date of payment until paid in full at the highest rate of interest in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This amount does not include attorneys' fees for a salaried employee of the Lender. To the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debt as awarded by any court exercising jurisdiction under the Bankruptcy Code. This Security Instrument shall remain in effect until released. Mortgagor agrees to pay for any recordation costs of such release.

11. **ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Mortgagor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Mortgagor shall immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

This instrument was prepared by WILLIAM M. WINTERHALER, SENIOR VICE PRESIDENT, (Notary's County) LAKE

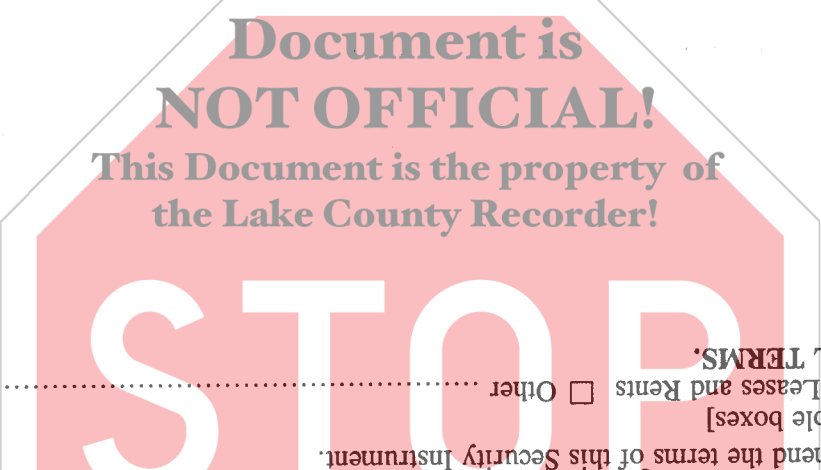
My commission expires: MAY 4, 2008 (Notary Public) SHANNAN M. EASTLING

Before me, SHANNAN M. EASTLING, a Notary Public, this 14TH day of JANUARY, 2002, PHILIP J. MULLENS, JR AND ERIKA J. MULLENS, HUSBAND AND W acknowledged the execution of the annexed mortgage.

ACKNOWLEDGMENT: STATE OF INDIANA, COUNTY OF LAKE

(Signature) PHILIP J. MULLENS, JR (Date) (Signature) ERIKA J. MULLENS (Date) 3/1

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1



- 12. ESCROW FOR TAXES AND INSURANCE. Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.
 - 13. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.
 - 14. SEVERABILITY; INTERPRETATION. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
 - 15. NOTICE. Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.
 - 16. WAIVERS. Except to the extent prohibited by law, Mortgagor waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future relating to redemption, reinstatement, and the marshalling of liens and assets. Mortgagor waives all rights of valuation and appraisal.
 - 17. LINE OF CREDIT. The Secured Debt includes a revolving line of credit. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.
 - 18. APPLICABLE LAW. This Security Instrument is governed by the laws as agreed to in the Secured Debt, except to the extent required by the laws of the jurisdiction where the Property is located, and applicable federal laws and regulations.
 - 19. RIDERS. The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument.
- [Check all applicable boxes]
- 20. ADDITIONAL TERMS.
 - Assignment of Leases and Rents
 - Other