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RETURN TO:
K & M TITLE CO.
5455 SHERIDAN ROAD SUITE 101
KENOSHA, WI 53140

2002 009992

LAKE COUNTY RECORDER
FILED
2002 JAN 29 AM 11:13
MORRIS W. CARTER
RECORDER

14694 @ JH

RECORDATION REQUESTED BY:
First American Bank
P.O. Box 307
201 S. State Street
Hampshire, IL 60140

WHEN RECORDED MAIL TO:
First American Bank
P.O. Box 307
201 S. State Street
Hampshire, IL 60140

SEND TAX NOTICES TO:
First American Bank
P.O. Box 307
201 S. State Street
Hampshire, IL 60140

Document is
NOT OFFICIAL!
MORTGAGE

MAXIMUM LIEN. The lien of this Mortgage shall not exceed at any one time \$22,500.00.

THIS MORTGAGE dated December 27, 2001, is made and executed between **TODD L. SCOTT and JOAN B. SCOTT, AS JOINT TENANTS** (referred to below as "Grantor") and **First American Bank**, whose address is **P.O. Box 307, 201 S. State Street, Hampshire, IL 60140** (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in **LAKE County, State of Indiana:**

LOT 31, HIDDEN CREEK ESTATES TO LAKE COUNTY, INDIANA, AS SHOWN IN PLAT BOOK 76, PAGE 7, LAKE COUNTY, INDIANA AND AS AMENDED IN PLAT BOOK 76, PAGE 89 AND AS AMENDED IN PLAT BOOK 77, PAGE 11 AND AS AMENDED IN PLAT BOOK 77, PAGE 35, IN LAKE COUNTY, INDIANA

15.00
7780

**MORTGAGE
(Continued)**

Loan No: 26902425870

Page 2

The Real Property or its address is commonly known as 4433 E. 104TH AVE, CROWN POINT, IN 46307. The Real Property tax identification number is 44-54-0052-0031.

REVOLVING LINE OF CREDIT. Specifically, without limitation, this Mortgage secures a revolving line of credit, which obligates Lender to make future obligations and advances to Grantor up to a maximum amount of \$22,500.00 so long as Grantor complies with all the terms of the Credit Agreement. Such future obligations and advances, and the interest thereon, are secured by this Mortgage whether such obligations and advances arise under the Credit Agreement, this Mortgage or otherwise. This Mortgage also secures all modifications, extensions and renewals of the Credit Agreement, the Mortgage or any other amounts expended by Lender on Grantor's behalf as provided for in the Mortgage. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intention of Grantor and Lender that this Mortgage secures the balance outstanding under the Credit Agreement from time to time from zero up to the Credit Limit as provided in this Mortgage and any intermediate balance.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF EACH OF GRANTOR'S AGREEMENTS AND OBLIGATIONS UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$10,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, terminates the credit line account, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Grantor will be in default under this Mortgage if any of the following happen: (A)

Grantor commits fraud or makes a material misrepresentation at any time in connection with the Credit Agreement. This can include, for example, a false statement about Grantor's income, assets, liabilities, or any other aspects of Grantor's financial condition. (B) Grantor does not meet the repayment terms of the Credit Agreement. (C) Grantor's action or inaction adversely affects the collateral or Lender's rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without Lender's permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

ATTORNEYS' FEES; EXPENSES. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Credit Agreement rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Governing Law. This Mortgage will be governed by and interpreted in accordance with federal law and the laws of the State of Illinois, except and only to the extent of procedural matters related to the perfection and enforcement of Lender's rights and remedies against the Property, which will be governed by the laws of the State of Indiana. However, if there ever is a question about whether any provision of this Mortgage is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction which is evidenced by the Credit Agreement and this Mortgage has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of Illinois.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Definitions. The following words shall have the following meanings when used in this Mortgage:

BORROWER. The word "Borrower" means TODD L. SCOTT and JOAN B. SCOTT, and all other persons and entities signing the Credit Agreement.

CREDIT AGREEMENT. The words "Credit Agreement" mean the credit agreement dated December 27, 2001, with credit limit of \$22,500.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Credit Agreement is January 1, 2012.

GRANTOR. The word "Grantor" means TODD L. SCOTT and JOAN B. SCOTT.

LENDER. The word "Lender" means First American Bank, its successors and assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Credit Agreement.

MORTGAGE. The word "Mortgage" means this Mortgage between Grantor and Lender.

PERSONAL PROPERTY. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

PROPERTY. The word "Property" means collectively the Real Property and the Personal Property.

REAL PROPERTY. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X Todd L. Scott
TODD L. SCOTT, Individually

X Joan B. Scott
JOAN B. SCOTT, Individually

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IL
COUNTY OF Cook

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On this day before me, the undersigned Notary Public, personally appeared **TODD L. SCOTT and JOAN B. SCOTT**, to me known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 27th day of December, 2001

By Jenny L. Hallberg Residing at _____

Notary Public in and for the State of _____ My commission expires _____

"OFFICIAL SEAL"
JENNY L. HALLBERG
Notary Public, State of Illinois
My Commission Exp. 05/01/2002



This Mortgage was drafted by: Loan Operations