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MORTGAGE

DATE AND PARTIES. The date of this Mortgage (Security Instrument) is May 4, 2002. The parties and their addresses are:

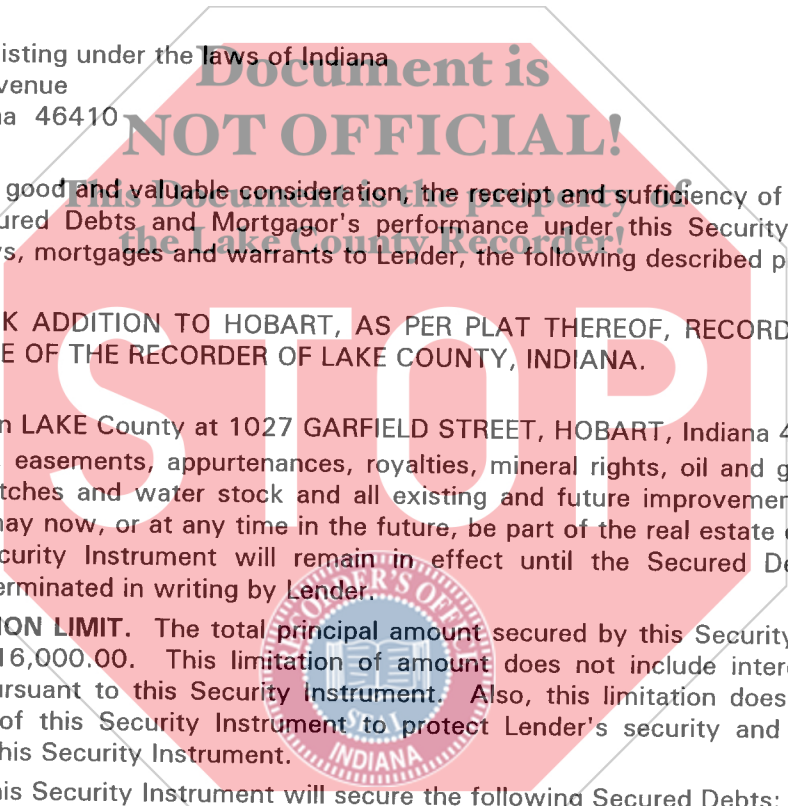
MORTGAGOR:

TIMOTHY J FAVIA
1027 GARFIELD STREET
HOBART, Indiana 46342

REBECCA D FAVIA
1027 GARFIELD STREET
HOBART, Indiana 46342

LENDER:

CENTIER BANK
Organized and existing under the laws of Indiana
600 East 84th Avenue
Merrillville, Indiana 46410
35-0161790



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

LOT 12 IN ELLIOT PARK ADDITION TO HOBART, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 25, PAGE 60, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

The property is located in LAKE County at 1027 GARFIELD STREET, HOBART, Indiana 46342. Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, wells, 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 (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

2. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time will not exceed \$16,000.00. 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.

3. SECURED DEBTS. This Security Instrument will secure the following Secured Debts:

A. Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note, dated May 4, 2002, from Mortgagor to Lender, with a loan amount of \$16,000.00 with an interest rate of 7.75 percent per year and maturing on May 23, 2010.

B. All Debts. All present and future debts from Mortgagor to Lender, even if this Security Instrument is not specifically referenced, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Security Instrument, each agrees that it will secure debts incurred either individually or with others who may not sign this Security Instrument. Nothing in this Security Instrument constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide notice of the right of rescission, Lender waives any subsequent security interest in the Mortgagor's principal dwelling that is created by this Security Instrument. This Security Instrument will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Security Instrument will not secure any

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debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of

C. Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Security

Instrument.

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

5. WARRANTY OF TITLE. Mortgagee warrants that Mortgagee 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. Mortgagee also warrants that the Property is unencumbered, except for encumbrances of record,

6. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or

other lien document that created a prior security interest or encumbrance on the Property, Mortgagee agrees:

A. To make all payments when due and to perform or comply with all covenants.

B. To promptly deliver to Lender any notices that Mortgagee receives from the holder.

C. Not to allow any modification or extension of, nor to request any future advances under any note or

agreement secured by the lien document without Lender's prior written consent.

7. CLAIMS AGAINST TITLE. Mortgagee will pay all taxes, assessments, liens, encumbrances, lease payments,

ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagee to

provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagee's

payment. Mortgagee will defend title to the Property against any claims that would impair the lien of this

Security Instrument. Mortgagee agrees to assign to Lender, as requested by Lender, any rights, claims or

defenses Mortgagee may have against parties who supply labor or materials to maintain or improve the

Property.

8. DUE ON SALE. Lender may, at its option, declare the entire balance of the Secured Debts 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 governing the preemption of state due-on-sale laws,

as applicable.

9. WARRANTIES AND REPRESENTATIONS. Mortgagee has the right and authority to enter into this Security

Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing

Mortgagee or to which Mortgagee is a party.

10. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagee will keep the Property in good

condition and make all repairs that are reasonably necessary. Mortgagee will not commit or allow any waste,

impairment, or deterioration of the Property. Mortgagee will keep the Property free of noxious weeds and

grasses. Mortgagee agrees that the nature of the occupancy and use will not substantially change without

Lender's prior written consent. Mortgagee will not permit any change in any license, restrictive covenant or

agreement without Lender's prior written consent. Mortgagee will notify Lender of all demands, proceedings,

claims, and actions against Mortgagee, and of any loss or damage to the Property.

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 will give Mortgagee notice at the time of or before an inspection specifying a

reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and

Mortgagee will in no way rely on Lender's inspection.

11. AUTHORITY TO PERFORM. If Mortgagee fails to perform any duty or any of the covenants contained in this

Security Instrument, Lender may, without notice, perform or cause them to be performed. Lender appoints

Lender as attorney in fact to sign Mortgagee's name or pay any amount necessary for performance. Lender's

right to perform for Mortgagee will 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. If any

construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps

necessary to protect Lender's security interest in the Property, including completion of the construction.

12. DEFAULT. Mortgagee will be in default if any of the following occur:

A. Payments. Mortgagee fails to make a payment in full when due.

B. Insolvency. Mortgagee makes an assignment for the benefit of creditors or becomes insolvent, either

because Mortgagee's liabilities exceed Mortgagee's assets or Mortgagee is unable to pay Mortgagee's debts

as they become due.

C. Death or Incompetency. Mortgagee dies or is declared legally incompetent.

D. Failure to Perform. Mortgagee fails to perform any condition or to keep any promise or covenant of this

Security Instrument.

E. Other Documents. A default occurs under the terms of any other transaction document.

F. Other Agreements. Mortgagee is in default on any other debt or agreement Mortgagee has with Lender.

G. Misrepresentation. Mortgagee makes any verbal or written statement or provides any financial

information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

H. Judgment. Mortgagee fails to satisfy or appeal any judgment against Mortgagee.

I. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal

authority.

J. Name Change. Mortgagee changes Mortgagee's name or assumes an additional name without notifying

Lender before making such a change.

K. Property Transfer. Mortgagee transfers all or a substantial part of Mortgagee's money or property. This

condition of default, as it relates to the transfer of the Property, is subject to the restrictions contained in the

DUE ON SALE section.

L. Property Value. The value of the Property declines or is impaired.

M. Insecurity. Lender reasonably believes that Lender is insecure.

G. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

15. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Note. Expenses include, but are not limited to, reasonable attorneys' fees after default and referral to an attorney not your salaried employee. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Note. All fees and expenses will be secured by the Property I have granted to you, if any. To the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees you incur to collect this Debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

16. WARRANTIES AND REPRESENTATIONS. I have the right and authority to enter into this Note. The execution and delivery of this Note will not violate any agreement governing me or to which I am a party.

17. INSURANCE. I understand and agree that any insurance premiums paid to insurance companies as part of this Loan Agreement will involve money retained by you or paid back to you as commissions or other remuneration.

A. Property Insurance. I will insure or retain insurance coverage on the Property and abide by the insurance requirements of any security instrument securing this Loan.

B. Flood Insurance. Flood insurance is not required. I may obtain flood insurance from anyone I want that is reasonably acceptable to you.

C. Insurance Warranties. I agree to purchase any insurance coverages that are required, in the amounts you require, as described in this or any other documents I sign for this Loan. I will provide you with continuing proof of coverage. I will buy or provide insurance from a firm licensed to do business in the State where the Property is located. If I buy or provide the insurance from someone other than you, the firm will be reasonably acceptable to you. I will have the insurance company name you as loss payee on any insurance policy. You will apply the insurance proceeds toward what I owe you on the outstanding balance. I agree that if the insurance proceeds do not cover the amounts I still owe you, I will pay the difference. I will keep the insurance until all debts secured by this agreement are paid. If I want to buy the insurance from you, I have signed a separate statement agreeing to this purchase.

D. Prepayment. If I prepay in full or if I default and you demand payment of the unpaid balance, I may be entitled to a partial refund credit of any prepaid, unearned insurance premiums. This refund may be obtained from you or from the insurance company named in my policy or certificate of insurance.

18. APPLICABLE LAW. This Note is governed by the laws of Indiana, the United States of America and to the extent required, by the laws of the jurisdiction where the Property is located.

A. Uniform Consumer Credit Code Applies. I agree that this Loan is subject to Sections 24-4.5-1-101 through 24-4.5-6-204 of the Indiana Uniform Consumer Credit Code, as amended (including Section 24-4.5-3-508).

19. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. My obligation to pay this Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on this Loan, or any number of us together, to collect this Loan. Extending this Loan or new obligations under this Loan, will not affect my duty under this Loan and I will still be obligated to pay this Loan. The duties and benefits of this Loan will bind and benefit the successors and assigns of you and me.

20. AMENDMENT, INTEGRATION AND SEVERABILITY. This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note is the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

21. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Note.

22. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. I will inform you in writing of any change in my name, address or other application information. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

23. CREDIT INFORMATION. I agree that from time to time you may obtain credit information about me from others, including other lenders and credit reporting agencies, and report to others (such as a credit reporting agency) your credit experience with me. I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others.

24. ERRORS AND OMISSIONS. I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with your requests within thirty (30) days.

ITEMIZATION OF AMOUNT FINANCED

Note Amount		\$16,000.00
Amount given to me directly:		
CHK - Draft/Check	\$3,182.23	
Total amount given to me directly	\$3,182.23	
Amount paid on my account	\$0.00	
Amount paid to Lender for:		
CENTIER BANK LN #90523251-78410	\$12,817.77	
Amount paid to others on my behalf*	\$0.00	
Less: Prepaid Finance Charge		\$0.00
Amount Financed		\$16,000.00

*Lender may retain or receive portions of these amounts.

25. SIGNATURES. By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.

BORROWER:


TIMOTHY J FAVIA

RERECCA D FAVIA

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the Lake County Recorder!**

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13. REMEDIES. Lender may use any and all remedies Lender has under state or federal law or in any instrument evidencing or pertaining to the Secured Debts. Any amounts advanced on Mortgagor's behalf will be immediately due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagor's default.

Subject to any right to cure, required time schedules or other notice rights Mortgagor may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or anytime thereafter.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require complete cure of any existing default. By choosing any one or more of these remedies Lender does not give up Lender's right to use any other remedy. Lender does not waive a default if Lender chooses not to use a remedy. By electing not to use any remedy, Lender does not waive Lender's right to later consider the event a default and to use any remedies if the default continues or happens again.

14. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, Mortgagor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Security Instrument. Mortgagor agrees to pay expenses for Lender to inspect and preserve the Property and for any recordation costs of releasing the Property from this Security Instrument. Expenses include, but are not limited to, reasonable attorneys' fees after default and referral to an attorney not a salaried employee of the Lender. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Secured Debts. To the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debts as awarded by any court exercising jurisdiction under the Bankruptcy Code.

15. 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), 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 substance," "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 will remain in full compliance with any applicable Environmental Law.

C. Mortgagor will 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 will take all necessary remedial action in accordance with any Environmental Law.

D. Mortgagor will 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.

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

17. INSURANCE. Mortgagor agrees to keep the Property insured against the risks reasonably associated with the Property. Mortgagor will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. Mortgagor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld. All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause."

Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgagor will immediately notify Lender of cancellation or termination of insurance. If Mortgagor fails to keep the Property insured Lender may obtain insurance to protect Lender's interest in the Property. This insurance may include coverages not originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance.

18. ESCROW FOR TAXES AND INSURANCE. Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

19. CO-SIGNERS. If Mortgagor signs this Security Instrument but does not sign the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree to be personally liable on the Secured Debts. 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.

20. WAIVERS. Except to the extent prohibited by law, Mortgagor waives all rights of valuation and appraisalment relating to the Property.

21. APPLICABLE LAW. This Security Instrument is governed by the laws of Indiana, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

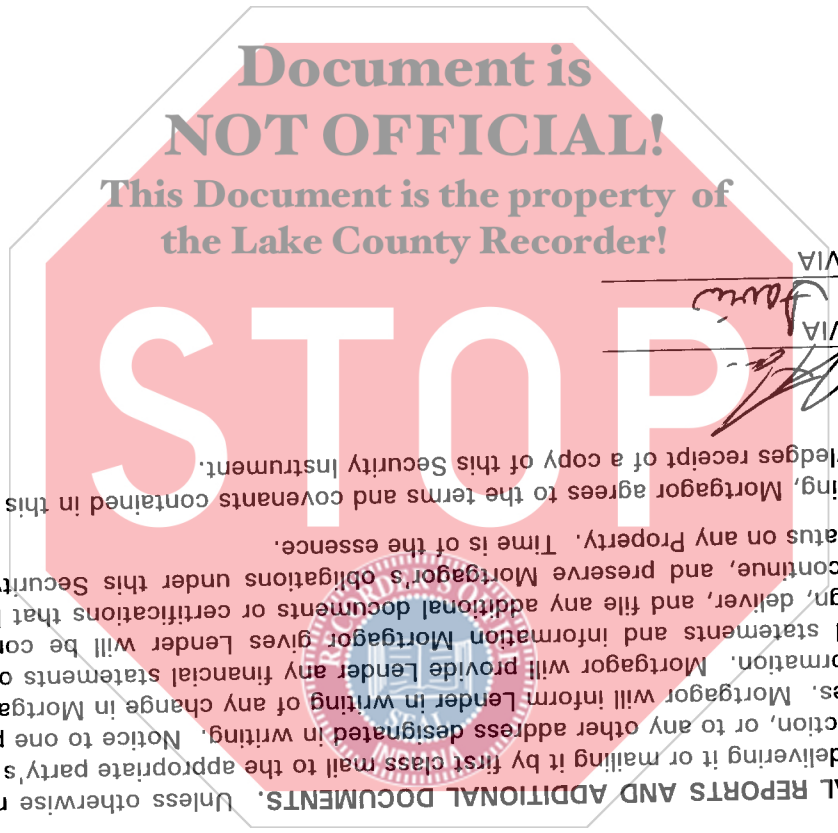
22. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Mortgagor's obligations under this Security Instrument are independent of the obligations of any other Mortgagor. Lender may sue each Mortgagor individually or together with any other Mortgagor. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgagor.

23. AMENDMENT, INTEGRATION AND SEVERABILITY. This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor and Lender. This Security Instrument is the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

24. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

25. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. 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 to confirm Lender's lien status on any Property. Time is of the essence.

SIGNATURES. By signing, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.



MORTGAGOR:

 TIMOTHY J. FAVIA

 REBECCA D. FAVIA

ACKNOWLEDGMENT.

(Individual)

STATE OF INDIANA, County of LAKE ss.
Before me, Lynn E. Kostbade, a Notary Public this 4th day of
MAY, 2002, TIMOTHY J FAVIA, and REBECCA D FAVIA, acknowledged the execution
of the annexed instrument.

My commission expires:

LYNN E. KOSTBADE
NOTARY PUBLIC, Lake County, Indiana
My Commission Expires August 13, 2006
Resident of Lake County, Indiana

(Notary Public)

Lynn E. Kostbade

(Notary's County)

LAKE

This instrument was prepared by ELSIE L. KOLEFF, BRANCH MANAGER, CENTIER BANK, 600 EAST 84TH AVENUE, MERRILLVILLE, Indiana 46410



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