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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 011206

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MORTGAGE
RECORDS

MORTGAGE

THIS MORTGAGE is made this 20th day of January, 2004, by and between the Mortgagors, Michael S. Levis and Bonnie Levis, husband and wife (herein "Borrowers"), and the Mortgagee, Timothy H. Levis and Michael S. Levis, as co-trustees under a trust agreement dated December 11, 1996, known as the Marshall J. Levis Family Trust (herein "Lender").

WHEREAS, Borrowers are indebted to Lender in the principal sum of \$35,000.00, which indebtedness is evidenced by Borrowers' promissory note of even date herewith (herein "Note");

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, the repayment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrowers herein contained,

Borrowers for consideration paid do hereby mortgage, grant, and convey to Lender all of Borrowers' right, title, and interest in and to the following described real property located in the County of Lake, State of Indiana:

Part of the Northeast 1/4 of the Southeast 1/4 of Section 18, Township 34 North, Range 8 West of the 2nd Principal Meridian, in Lake County, Indiana, described as follows: Beginning at a point 20.5 rods North and 40 rods West of the Southeast corner of said 1/4 1/4 section; thence North 59.5 rods to the North line of said 1/4 1/4 section; thence West 14 rods to a point; thence South 59.5 rods to a point directly West of the place of beginning; thence East 14 rods to the place of beginning;

Which has the address of 3405 West 121st Avenue, Crown Point, Indiana;

and

The East 6 rods of the West 26 rods of the Northeast 1/4 of the Southeast 1/4 of Section 18, Township 34 North, Range 8 West of the 2nd Principal Meridian, in Lake County, Indiana;

Which has the address of 3415 West 121st Avenue, Crown Point, Indiana;

and

The East 50 feet of the North 225 feet of the West 20 rods of the Northeast 1/4 of the Southeast 1/4 of Section 18, Township 34 North, Range 8 West of the 2nd Principal Meridian, in Lake County, Indiana;

Which has the address of 3425 West 121st Avenue, Crown Point, Indiana;

and

The West 20 rods of the Northeast 1/4 of the Southeast 1/4 of Section 18, Township 34 North, Range 8 West of the 2nd P.M., Lake County, Indiana, except the East 50 feet of the North 225 feet thereof;

Which has the address of 3503 West 121st Avenue, Crown Point, Indiana;

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, and rents, all of which 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, are hereinafter referred to as the "Property."

BORROWERS COVENANT that Borrowers are lawfully seized of the estate hereby conveyed and have the right to mortgage, grant, and convey the Property, and that the Property is unencumbered, except for encumbrances approved by Lender. Borrowers warrant

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and covenant that they will defend generally the title to the Property against all claims and demands adverse to Lender's interest granted herein, subject to encumbrances now of record.

ADDITIONAL COVENANTS. Borrowers and Lender covenant and agree as follows:

1. **Payment of Indebtedness; Due on Sale.** Borrowers shall promptly pay the principal, interest, and other indebtedness evidenced by the Note as and when due and payable according to the terms of the Note, or if earlier, immediately upon sale, transfer, or refinance of the Property or any part of the Property.
2. **Prior Mortgages.** Borrowers shall perform all of Borrowers' obligations under any mortgage or other security agreement which is a lien that has priority over this Mortgage or which is subordinate to this Mortgage, including Borrowers' covenants to make payments when due. Borrowers shall pay or cause to be paid all taxes, assessments, and other charges, fines, and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments and ground rents, if any. Any default by Borrowers under a prior or subordinate mortgage against the Property shall constitute a default under this Mortgage and shall entitle the Lender to all legal and equitable relief as set forth herein.
3. **Hazard Insurance.** Borrowers 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. The insurance carrier providing the insurance shall be chosen by Borrowers subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof 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 thereof, subject to the terms of any mortgage or other security agreement with a lien that has priority over this Mortgage. In the event of loss, Borrowers shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. If the Property is abandoned by Borrowers, or if Borrowers fail to respond to Lender within 30 days from the date notice is mailed by Lender to Borrowers 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. Each insurance company concerned is hereby authorized and directed to make payment of such insurance proceeds directly to Lender, as mortgagee, instead of to Borrowers and Lender jointly.
4. **Preservation of Property.** Borrowers 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. Borrowers shall use, operate, and maintain the Property in such manner that the Property will meet all applicable local codes, standards, ordinances, and zoning ordinances in effect and applicable to the Property.
5. **Hazardous Substances.** Borrowers shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrowers shall not do, or 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 a small quantity of Hazardous Substances generally recognized to be appropriate to normal residential uses and to maintenance of the Property. Borrowers shall immediately give Lender written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrowers have actual knowledge. If Borrowers learn, or are notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrowers shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this paragraph, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental 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, "Environmental Law" means federal laws and laws of the jurisdiction where the property is located that relate to health, safety, and environmental protection.
6. **Protection of Lender's Security.** If Borrowers fail to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrowers, may make such appearances, disburse such sums, including reasonable attorney's fees and costs, and take such action as is necessary to protect Lender's interest. Any amounts disbursed by Lender pursuant to the provisions of this paragraph, with interest thereon at the default interest rate stated in the Note, shall become additional indebtedness of Borrowers secured by this Mortgage. Unless Borrowers and Lender agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrowers requesting payment thereof. Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder.

7. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property provided that Lender shall give Borrowers notice prior to any such inspection specifying reasonable cause 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, subject to the terms of any mortgage or other security agreement with a lien which has priority over this Mortgage.
9. **Lender's Remedies.** Upon Borrowers' breach of any covenant or agreement of Borrowers in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender may give notice to Borrowers specifying a) the breach, b) the action required to cure the breach, c) a date, not less than 10 days from the date the notice is mailed to Borrowers, by which such breach must be cured, and d) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceedings, and sale of the Property. If the breach is not cured on or before the date specified in the notice, 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 foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including a reasonable attorney's fee and costs of documentary evidence and title reports.
10. **Borrowers' Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrowers' breach, Borrowers shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage, if a) Borrowers cure all breaches of any covenants or agreements of Borrowers contained in this Mortgage, b) Borrowers pay all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrowers contained in this Mortgage and in enforcing Lender's remedies as provided herein, including a reasonable attorney's fee, and c) Borrowers take such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property, and Borrowers' obligations secured by this Mortgage shall continue unimpaired. Upon such cure by Borrowers, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.
11. **Borrowers Not Released.** Any extension of time for payment or modification of payment terms of the sums secured by this Mortgage granted by Lender to any successor in interest to Borrowers shall not operate to release, in any manner, the liability of Borrowers or Borrowers' successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify payment terms of the sums secured by this Mortgage by reason of any demand made by Borrowers and Borrowers' successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the later exercise such right or remedy.
12. **Successors and Assigns Bound.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrowers. All covenants and agreements of Borrowers shall be joint and several. Any person who co-signs this Mortgage but does not execute the Note, a) is co-signing this Mortgage only to mortgage, grant, and convey that person's interest in the Property to Lender under the terms of this Mortgage, b) is not personally liable on the Note or under this Mortgage, and c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that person's consent and without releasing that Borrower or modifying this Mortgage as to that person's interest in the Property.
13. **Notices.** Except for any notice required under applicable law to be given in another manner, a) any notice to Borrowers provided for in this Mortgage shall be given by delivering it or by mailing it by certified mail addressed to Borrowers at 3405 W. 121st Avenue, Crown Point, Indiana, 46307, or such other address as Borrowers may direct by notice to Lender as provided herein, and b) any notice to Lender shall be given by delivering it or by mailing it by certified mail addressed to Lender at 3405 W. 121st Avenue, Crown Point, Indiana, 46307, or such other address as Lender may direct by notice to Borrowers as provided herein. Any notice provided for in this Mortgage shall be deemed given to Borrowers or Lender when given in the manner designated herein.
14. **Governing Law.** The laws of the State of Indiana, without regard to its conflicts of law principles, and any applicable Federal laws, shall govern this Mortgage including all matters relating to its interpretation and enforcement. In the event that any provision of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Note and this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs," "expenses," and "attorney's fee" include all sums to the extent not prohibited by applicable law or limited herein.

- 15. **Release of Mortgage.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrowers. Borrowers shall pay all costs of recordation, if any.
- 16. **Interpretation.** The headings to paragraphs and other parts of this Mortgage are included for convenience of reference only, are not a part of the agreement of the parties, and shall be disregarded in interpreting this Mortgage and the intent of the parties. The words "include," "includes," and "including," whenever appearing in this Mortgage, shall be interpreted as if followed by the phrase "without limitation."

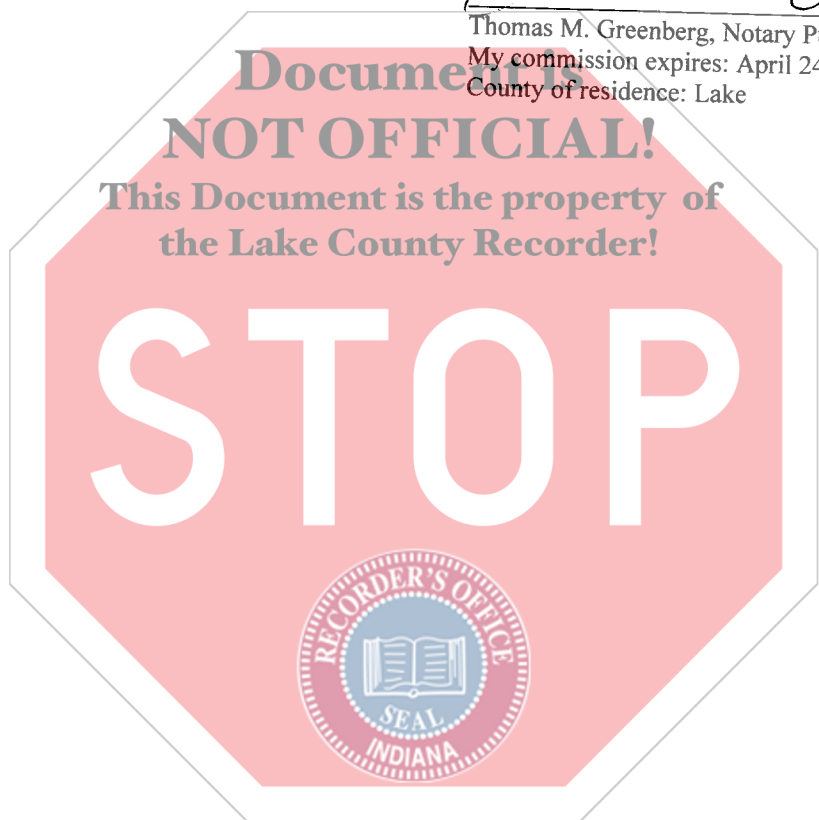
IN WITNESS WHEREOF, the Borrowers have executed this Mortgage.

Michael S. Levis, Michael S. Levis, "Borrower" Bonnie Levis, Bonnie Levis, "Borrower"

STATE OF INDIANA, COUNTY OF LAKE, SS:

Before me, the undersigned, a Notary Public in and for said county and state, this day of January 30, 2004, personally appeared Michael S. Levis and Bonnie Levis, husband and wife, and acknowledged the execution of the foregoing mortgage. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

Thomas M. Greenberg
 Thomas M. Greenberg, Notary Public
 My commission expires: April 24, 2008
 County of residence: Lake



This instrument was prepared by Thomas M. Greenberg, Attorney at Law
 99 East 86th Avenue, Suite E-2, Merrillville, IN 46410-6267

7