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2004 074775

LAKE COUNTY  
FILED FOR RECORD

2004 AUG 19 10 10 AM

MONTGOMERY ST

When recorded mail to:  
**FIRST AMERICAN ELS, INC.**  
1228 EUCLID AVENUE, SUITE 400  
CLEVELAND, OHIO 44115  
ATTN: FACT DEPARTMENT

0006609769408004  
[Doc ID #]

2501817

**MORTGAGE**  
(Line of Credit)

MIN 1000157-0004087182-0

THIS MORTGAGE, dated AUGUST 19, 2004, is between  
RUSSELL E PROPECK, AND MARILOU G PROPECK

Document is  
NOT OFFICIAL

First American Equity Loan Services, Inc.  
# ~~616190~~ (04237)P

residing at  
2512 MONTGOMERY ST, LAKE STATION, IN 46405-2170  
the person or persons signing as "Mortgagor(s)" below and hereinafter referred to as "we," "our," or "us" and MORTGAGE  
ELECTRONIC REGISTRATION SYSTEMS, INC., ("MERS") a Delaware corporation, with an address of P.O. Box 2026, Flint,  
MI 48501-2026, tel. (888) 679-MERS acting solely as nominee for  
COUNTRYWIDE HOME LOANS, INC.  
("Lender" or "you") and its successors and assigns. MERS is the "Mortgage" under this Mortgage.

MORTGAGED PREMISES: In consideration of the loan hereinafter described, we hereby mortgage, grant and convey to  
MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS,  
the premises located at:

2512 MONTGOMERY ST LAKE STATION  
Street Municipality  
ADAMS Indiana 46405-2170 (the "Premises").  
County ZIP

and further described as:

A PARCEL OF LAND SITUATED IN THE STATE OF INDIANA, COUNTY OF LAKE, WITH A STREET  
LOCATION ADDRESS OF 2512 MONTGOMERY ST; LAKE STATION, IN 46405 CURRENTLY OWNED BY  
RUSSELL E PROPECK AND MARILOU G PROPECK HAVING A TAX IDENTIFICATION NUMBER OF 006  
14-20-0059-0002 AND FURTHER DESCRIBED AS CITY: LAKE STATION-HOBART TWP ?LAKE STATION  
ADD. S2. OF L.1 BL.4 S2. OF L.2 BL.4.

The Premises includes all buildings and other improvements now or in the future on the Premises and all rights and interests  
which derive from our ownership, use or possession of the Premises and all appurtenances thereto.

● MERS HELOC - IN MORTGAGE  
2E001-IN (02/04)(d)

Initials: RP  
MP



ck 27.00  
36477  
+ 2P  
36489 87.00  
our

WE UNDERSTAND and agree that MERS is a separate corporation acting solely as nominee for Lender and Lender's successors and assigns, and holds only legal title to the interests granted by us in this Mortgage, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property, and to take any action required of Lender including, but not limited to, releasing or canceling this Mortgage.

LOAN: This Mortgage will secure your loan to us in the principal amount of \$ 25,000.00 or so much thereof as may be advanced and readvanced from time to time to

RUSSELL E. PROPECK  
MARILOU G. PROPECK

the Borrower(s) under the Home Equity Credit Line Agreement And Disclosure Statement (the "Note") dated 08/19/2004, plus interest and costs, late charges and all other charges related to the loan, all of which sums are repayable according to the Note. This Mortgage will also secure the performance of all of the promises and agreements made by us and each Borrower and Co-Signer in the Note, all of our promises and agreements in this Mortgage, any extensions, renewals, amendments, supplements and other modifications of the Note, and any amounts advanced by you under the terms of the section of this Mortgage entitled "Our Authority To You." Loans under the Note may be made, repaid and remade from time to time in accordance with the terms of the Note and subject to the Credit Limit set forth in the Note.

FUTURE ADVANCES: This Mortgage also secures FUTURE ADVANCES which may be made by LENDER to US up to an additional maximum not to exceed \$ 25,000.00

OWNERSHIP: We are the sole owner(s) of the Premises. We have the legal right to mortgage the Premises to you.

**OUR IMPORTANT OBLIGATIONS:**

(a) TAXES: We will pay all real estate taxes, assessments, water charges and sewer rents relating to the Premises when they become due. We will not claim any credit on, or make deduction from, the loan under the Note because we pay these taxes and charges. We will provide you with proof of payment upon request.

(b) MAINTENANCE: We will maintain the building(s) on the Premises in good condition. We will not make major changes in the building(s) except for normal repairs. We will not tear down any of the building(s) on the Premises without first getting your consent. We will not use the Premises illegally. If this Mortgage is on a unit in a condominium or a planned unit development, we shall perform all of our obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development and constituent documents.

(c) INSURANCE: We will keep the building(s) on the Premises insured at all times against loss by fire, flood and any other hazards you may specify. We may choose the insurance company, but our choice is subject to your reasonable approval. The policies must be for at least the amounts and the time periods that you specify. We will deliver to you upon your request the policies or other proof of the insurance. The policies must name you as "mortgagee" and "loss-payee" so that you will receive payment on all insurance claims, to the extent of your interest under this Mortgage, before we do. The insurance policies must also provide that you be given not less than 10 days prior written notice of any cancellation or reduction in coverage, for any reason. Upon request, we shall deliver the policies, certificates or other evidence of insurance to you. In the event of loss or damage to the Premises, we will immediately notify you in writing and file a proof of loss with the insurer. You may file a proof of loss on our behalf if we fail or refuse to do so. You may also sign our name to any check, draft or other order for the payment of insurance proceeds in the event of loss or damage to the Premises. If you receive payment of a claim, you will have the right to choose to use the money either to repair the Premises or to reduce the amount owing on the Note.

(d) CONDEMNATION: We assign to you the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises, or part thereof, or for conveyance in lieu of condemnation, all of which shall be paid to you, subject to the terms of any Prior Mortgage.

(e) SECURITY INTEREST: We will join with you in signing and filing documents and, at our expense, in doing whatever you believe is necessary to perfect and continue the perfection of your lien and security interest in the Premises. It is agreed that the Lender shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the Agreement secured hereby.

(f) OUR AUTHORITY TO YOU: If we fail to perform our obligations under this Mortgage, you may, if you choose, perform our obligations and pay such costs and expenses. You will add the amounts you advance to the sums owing on the Note, on which you will charge interest at the interest rate set forth in the Note. If, for example, we fail to honor our promises to maintain insurance in effect, or to pay filing fees, taxes or the costs necessary to keep the Premises in good condition and repair or to perform any of our other agreements with you, you may, if you choose, advance any sums to satisfy any of our agreements with you and charge us interest on such advances at the interest rate set forth in the Note. This Mortgage secures all such advances. Your payments on our behalf will not cure our failure to perform our promises in this Mortgage. Any replacement insurance that you obtain to cover loss or damages to the Premises may be limited to the amount owing on the Note plus the amount of any Prior Mortgages.

(g) **PRIOR MORTGAGE:** If the provisions of this paragraph are completed, this Mortgage is subject and subordinate to a prior mortgage dated 07/28/2004 and given by us to

WELLS FARGO

as mortgagee, in the original amount of \$ 83,523.00 (the "Prior Mortgage"). We shall not increase, amend or modify the Prior Mortgage without your prior written consent and shall upon receipt of any written notice from the holder of the Prior Mortgage promptly deliver a copy of such notice to you. We shall pay and perform all of our obligations under the Prior Mortgage as and when required under the Prior Mortgage.

(h) **HAZARDOUS SUBSTANCES:** We shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Premises. We shall not do, nor allow anyone else to do, anything affecting the Premises that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Premises of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Premises. 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 Premises are located that relate to health, safety or environmental protection.

(i) **SALE OF PREMISES:** We will not sell, transfer ownership of, mortgage or otherwise dispose of our interest in the Premises, in whole or in part, or permit any other lien or claim against the Premises without your prior written consent.

(j) **INSPECTION:** We will permit you to inspect the Premises at any reasonable time.

**NO LOSS OF RIGHTS:** The Note and this Mortgage may be negotiated or assigned by you without releasing us or the Premises. You may add or release any person or property obligated under the Note and this Mortgage without losing your rights in the Premises.

**DEFAULT:** Except as may be prohibited by applicable law, and subject to any advance notice and cure period if required by applicable law, if any event or condition of default as described in the Note occurs, you may foreclose upon this Mortgage. This means that you may arrange for the Premises to be sold, as provided by law, in order to pay off what we owe on the Note and under this Mortgage. If the money you receive from the sale is not enough to pay off what we owe you, we will still owe you the difference which you may seek to collect from us in accordance with applicable law. In addition, you may, in accordance with applicable law, (i) enter on and take possession of the Premises; (ii) collect the rental payments, including over-due rental payments, directly from tenants; (iii) manage the Premises; and (iv) sign, cancel and change leases. We agree that the interest rate set forth in the Note will continue before and after a default, entry of a judgment and foreclosure, subject to the provisions of applicable state law. In addition, you shall be entitled to collect all reasonable fees and costs actually incurred by you in proceeding to foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

**ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER:** As additional security, we assign to you the rents of the Premises. You or a receiver appointed by the courts shall be entitled to enter upon, take possession of and manage the Premises and collect the rents of the Premises including those past due.

**WAIVERS:** To the extent permitted by applicable law, we waive and release any error or defects in proceedings to enforce this Mortgage and hereby waive the benefit of any present or future laws providing for stay of execution, extension of time, exemption from attachment, levy and sale and homestead exemption.

**BINDING EFFECT:** Each of us shall be fully responsible for all of the promises and agreements in this Mortgage. Until the Note has been paid in full and your obligation to make further advances under the Note has been terminated, the provisions of this Mortgage will be binding on us, our legal representatives, our heirs and all future owners of the Premises. This Mortgage is for your benefit and for the benefit of anyone to whom you may assign it. Upon payment in full of all amounts owing to you under the Note and this Mortgage, and provided any obligation to make further advances under the Note has terminated, this Mortgage and your rights in the Premises shall end.

**NOTICE:** Except for any notice required under applicable law to be given in another manner, (a) any notice to us provided for in this Mortgage shall be given by delivering it or by mailing such notice by regular first class mail addressed to us at the last address appearing in your records or at such other address as we may designate by notice to you as provided herein, and (b) any notice to you shall be given by certified mail, return receipt requested, to your address at

For MERS:

P.O. Box 2026, Flint, MI 48501-2026

For Lender:

4500 Park Granada, Calabasas, CA 91302-1613

or to such other address as you may designate by notice to us. Any notice provided for in this Mortgage shall be deemed to have been given to us or you when given in the manner designated herein.

**RELEASE:** Upon payment of all sums secured by this Mortgage and provided your obligation to make further advances under the Note has terminated, you shall discharge this Mortgage without charge to us, except that we shall pay any fees for recording of a satisfaction of this Mortgage.

GENERAL: You can waive or delay enforcing any of your rights under this Mortgage without losing them. Any waiver by you of any provisions of this Mortgage will not be a waiver of that or any other provision on any other occasion.

THIS MORTGAGE has been signed by each of us on the date first above written.

WITNESS:

Olivia Fugh \_\_\_\_\_ Russell E. Propeck \_\_\_\_\_ (SEAL)  
Mortgagor: RUSSELL E. PROPECK

\_\_\_\_\_ MariLou G. Propeck \_\_\_\_\_ (SEAL)  
Mortgagor: MARILOU G. PROPECK



\_\_\_\_\_ (SEAL)  
Mortgagor:

\_\_\_\_\_ (SEAL)  
Mortgagor:

STATE OF INDIANA,

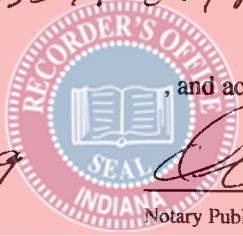
Lake County ss:

On this 19 day of Aug, 2004, before me, the undersigned, a Notary Public in and for said County, personally appeared Russell E. Propeck & MariLou G. Propeck to

WITNESS my hand and official seal.

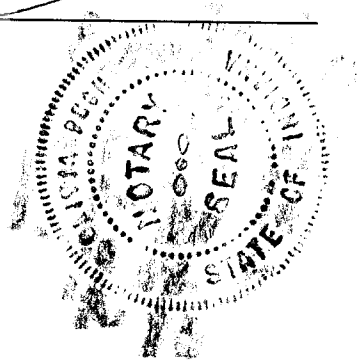
, and acknowledged the execution of the foregoing instrument.

My Commission Expires: Aug. 17, 2009



Notary Public

Lake County



This instrument was prepared by:  
ANNA HAUGHBROOK  
COUNTRYWIDE HOME LOANS, INC.  
1571 SAWGRASS CORP PKWY 4THFL, SUNRISE, FL 33323

## EXHIBIT "A"

### LEGAL DESCRIPTION

A PARCEL OF LAND SITUATED IN THE STATE OF INDIANA, COUNTY OF LAKE,  
WITH A STREET LOCATION ADDRESS OF 2512 MONTGOMERY ST; LAKE  
STATION, IN 46405 CURRENTLY OWNED BY RUSSELL E PROPECK AND  
MARILOU G PROPECK HAVING A TAX IDENTIFICATION NUMBER OF 006  
14-20-0059-0002 AND FURTHER DESCRIBED AS CITY: LAKE STATION-HOBART  
TWP LAKE STATION ADD. S2. OF L.1 BL.4 S2. OF L.2 BL.4.

006 14-20-0059-0002  
2512 MONTGOMERY ST; LAKE STATION, IN 46405  
2501877 / 66097694  
14709334/f

The use of this Legal Description is limited by the terms and conditions of the FACT Title Report, the FACT Service Level Agreement, and the FACT Master Loan Policy.



# SUBORDINATION AGREEMENT

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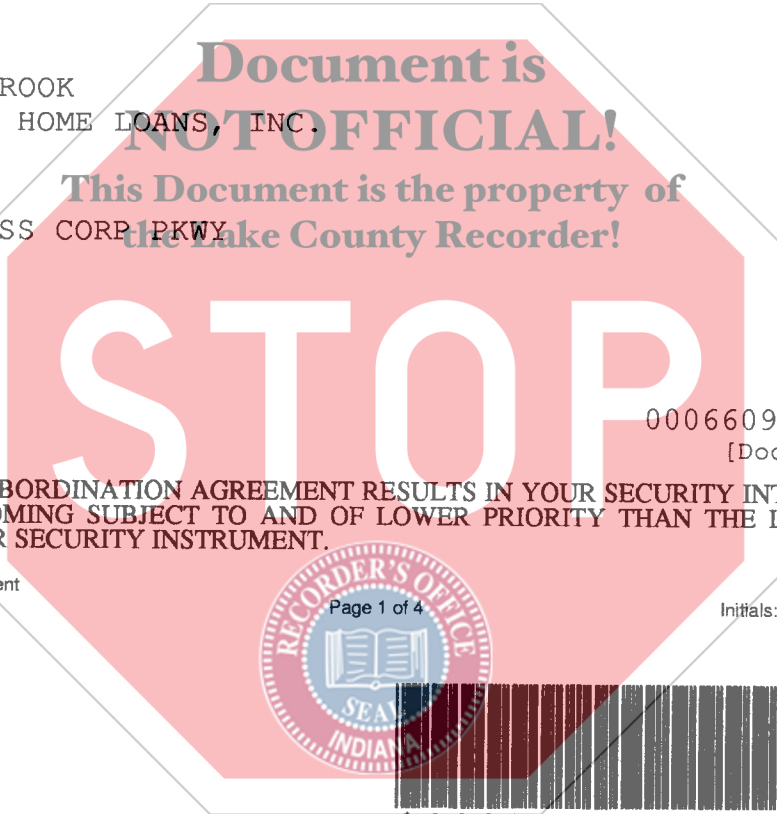
When recorded mail to:  
**FIRST AMERICAN ELS, INC.**  
1228 EUCLID AVENUE, SUITE 400  
CLEVELAND, OHIO 44115  
ATTN: FACT DEPARTMENT

NC.  
ING

6042376

Prepared By:  
ANNA HAUGHBROOK  
COUNTRYWIDE HOME LOANS, INC.

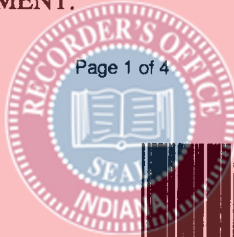
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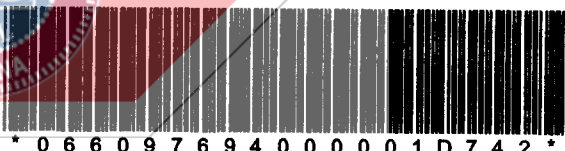
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NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

● Subordination Agreement  
1D742-XX (12/01)(d)



Initials: RP  
MD



SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made this 19 day of Aug, 2004, by Russell E. Propeck + Marilou G. Propeck

("Subordinated Lienholder"), with a place of business at \_\_\_\_\_

WHEREAS, \_\_\_\_\_

executed and delivered to Subordinated Lienholder, a Deed of Trust/Mortgage (the "First Security Instrument") in the sum of, \_\_\_\_\_, dated \_\_\_\_\_, and recorded \_\_\_\_\_ in Book Volume \_\_\_\_\_, Page \_\_\_\_\_, as security for a loan (the "First Loan"), which First Security Instrument is a valid and existing lien on the real property described on Exhibit "A" attached hereto.

WHEREAS, \_\_\_\_\_ ("Borrower") executed and delivered to \_\_\_\_\_ ("Lender"), a deed of trust/mortgage in the sum of \_\_\_\_\_, which deed of trust/mortgage is intended to be recorded herewith or is recorded in Book \_\_\_\_\_ Volume \_\_\_\_\_, Page \_\_\_\_\_, as Instrument No. \_\_\_\_\_, in the records of \_\_\_\_\_ County, State of \_\_\_\_\_ (the "Second Security Instrument") as security for a loan (the "Second Loan");

WHEREAS, it is a condition precedent to obtaining the Second Loan that the lien of the Second Loan shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien of the First Loan; and

WHEREAS, Lender is willing to make said loan provided the lien securing the Second Loan is a lien or charge upon the described property prior and superior to the lien of the First Loan and provided that Subordinating Lender will specifically and unconditionally subordinate the lien of the First Loan to the Second Loan; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such a loan to Borrower; and Subordinating Lender is willing that the lien securing the Second Loan shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien securing the First Loan.

Initials: R.P.  
MP

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That the Second Security Instrument, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the First Security Instrument.
- (2) That Lender would not make the Second Loan without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the First Security Instrument to the Second Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the security instruments hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the First Security Instrument above mentioned, which provide for the subordination of the lien to another security instrument, deed of trust or mortgage.

Subordinating Lender declares, agrees and acknowledges that

- (a) It consents to and approves (i) all provisions of the note and Second Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Borrower and Lender for the disbursement of the proceeds of the Second Loan;
- (b) Lender making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part; and
- (c) It intentionally and unconditionally waives, relinquishes and subordinates the lien of the First Security Instrument in favor of the lien or charge upon said land of the Second Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquish and subordinate specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.



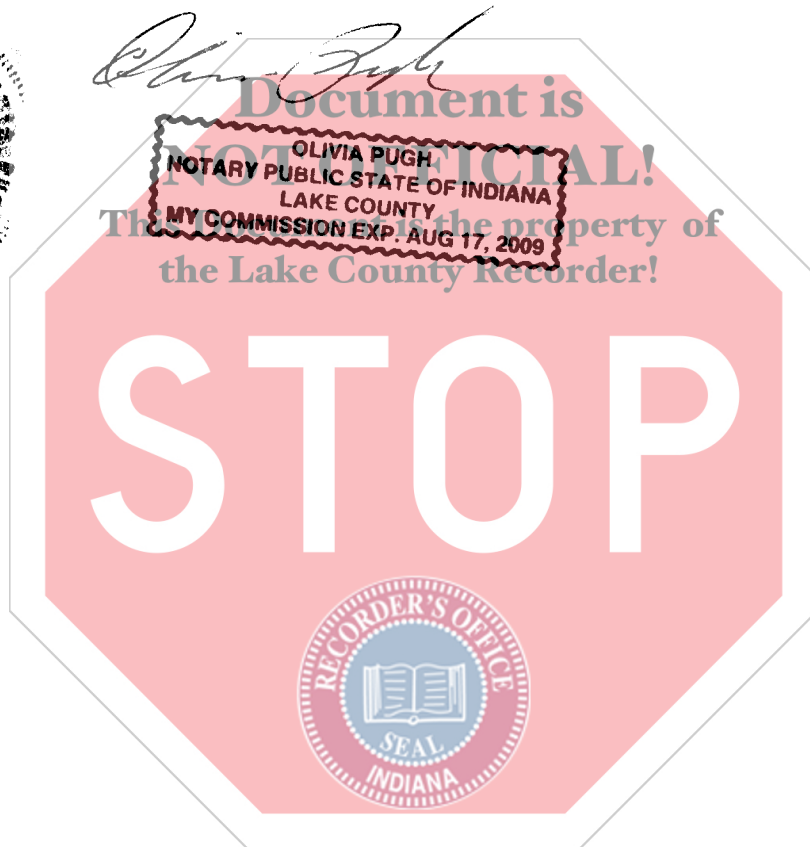
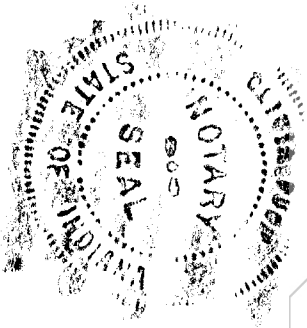
DOC ID #: 0006609769408004

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

*Russell & Project*

*Marion G. Project*

[NOTARY SEAL AND FORM]



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