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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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State of Indiana

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MICHAEL A. BROWN  
RECORDER

**MORTGAGE**  
(With Future Advance Clause)

Chicago Title Insurance Company

1. **DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is June 8, 2005

The parties and their addresses are:

**MORTGAGOR:**

William J. Jagadich and Lynda M. Jagadich, Husband and Wife

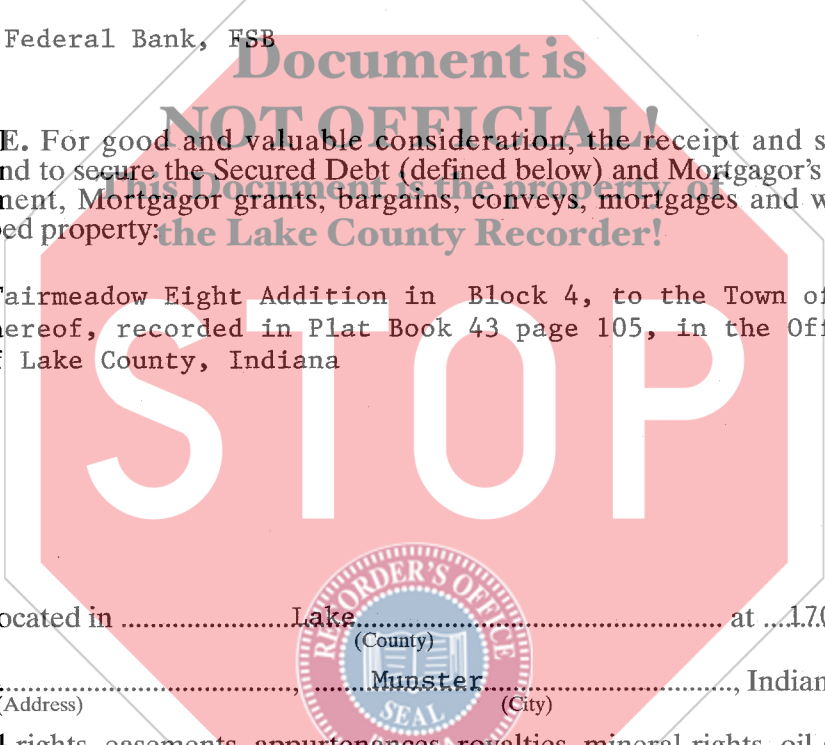
If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

**LENDER:**

Lake Federal Bank, FSB

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:

Lot 53 in Fairmeadow Eight Addition in Block 4, to the Town of Munster, as per plat thereof, recorded in Plat Book 43 page 105, in the Office of the Recorder of Lake County, Indiana



The property is located in Lake (County) at 1709 Camellia Drive (Address), Munster (City), Indiana 46321 (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 \$ 80,000.00. 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).)

The promissory note from William J. Jagadich and Lynda M. Jagadich to Lake Federal Bank, FSB, in the principal amount of \$80,000.00 dated June 8, 2005, with a final maturity date of June 1, 2025.

B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt executed by Mortgagor in favor of Lender after this Security Instrument whether or not this Security Instrument is specifically

INDIANA - HOME EQUITY LINE OF CREDIT MORTGAGE (NOT FOR FNMA, FHLMC, FHA OR VA USE)

Expere<sup>TM</sup> © 1994 Bankers Systems, Inc., St. Cloud, MN Form OCP-REMTG-IN 5/15/2001

*[Handwritten signature]*

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12. ESCROW FOR TAXES AND INSURANCE. Unless otherwise provided in a separate agreement, Mortgagee 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 Mortgagee signs this Security Instrument but does not sign an evidence of debt, Mortgagee does so only to mortgage Mortgagee's interest in the Property to secure payment of the Secured Debt and Mortgagee does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagee, Mortgagee agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagee 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 Mortgagee 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 mortgagee will be deemed to be notice to all mortgagees. 16. WAIVERS. Except to the extent prohibited by law, Mortgagee waives and releases any and all rights and remedies Mortgagee may now have or acquire in the future relating to redemption, reinstatement, and the marshalling of liens and assets. Mortgagee 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.

20.  ADDITIONAL TERMS.  Assignment of Leases and Rents  Other ..... Adjustable Rate Rider



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

(Signature) William J. Jagadich (Date) 6-8-05 (Signature) Lynnda M. Jagadich (Date) 6/8/05

ACKNOWLEDGMENT: STATE OF Indiana, COUNTY OF Lake, } ss. Before me, Joyce Gurtatowski, a Notary Public, this 8th day of June, 2005, William J. Jagadich and Lynnda M. Jagadich, My commission expires: 03/19/2008

(Notary Public) Joyce Gurtatowski (Notary's County) Lake

This instrument was prepared by Gerald R. Skrabala, President

## 1-4 FAMILY RIDER (Assignment of Rents)

THIS 1-4 FAMILY RIDER is made this 8th day of June 2005, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Lake Federal Bank, FSB

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 1709 Camellia Dr  
Munster, IN 46321

[Property Address]

**1-4 FAMILY COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT.** In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in, connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

**B. USE OF PROPERTY; COMPLIANCE WITH LAW.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

**C. SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

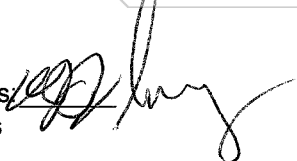
**D. RENT LOSS INSURANCE.** Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 5.

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MULTISTATE 1-4 FAMILY RIDER - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
Form 3170 1/01

VMP-57R (0401).01

Page 1 of 3

Initials:   
VMP Mortgage Solutions  
(800)521-7291

922005129

Initials:

*[Handwritten signature]*

and Lender may invoke any of the remedies permitted by the Security Instrument agreement in which Lender has an interest shall be a breach under the Security Instrument

**I. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note or Property shall terminate when all the sums secured by the Security Instrument are paid in full. at any time when a default occurs. Any application of Rents shall not cure or waive any Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so upon, take control of or maintain the Property before or after giving notice of default to Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter from exercising its rights under this paragraph.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender

Instrument pursuant to Section 9. purposes shall become indebtedness of Borrower to Lender secured by the Security managing the Property and of collecting the Rents any funds expended by Lender for such If the Rents of the Property are not sufficient to cover the costs of taking control of and security.

derived from the Property without any showing as to the inadequacy of the Property as appointed to take possession of and manage the Property and collect the Rents and profits only those Rents actually received; and (vi) Lender shall be entitled to have a receiver (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for and other charges on the Property, and then to the sums secured by the Security Instrument; on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums shall be applied first to the costs of taking control of and managing the Property and unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured If Lender gives notice of default to Borrower, (i) all Rents received by Borrower shall be constitutes an absolute assignment and not an assignment for additional security only.

tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents pursuant to Section 22 of the Security Instrument, and (ii) Lender has given notice of default Borrower shall receive the Rents until: (i) Lender has given Borrower notice of default each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and **H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.**

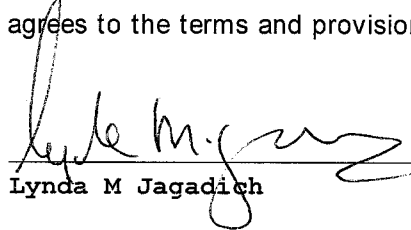
leasehold. in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a terminate the existing leases and to execute new leases, in Lender's sole discretion. As used of the Property. Upon the assignment, Lender shall have the right to modify, extend or to Lender all leases of the Property and all security deposits made in connection with leases **G. ASSIGNMENT OF LEASES.** Upon Lender's request after default, Borrower shall assign

Section 6 concerning Borrower's occupancy of the Property is deleted. **F. BORROWER'S OCCUPANCY.** Unless Lender and Borrower otherwise agree in writing,

**E. "BORROWER'S RIGHT TO REINSTATE" DELETED.** Section 19 is deleted.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this 1-4 Family Rider.

  
William J Jagadich (Seal)  
-Borrower

  
Lynda M Jagadich (Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

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(Seal)  
-Borrower

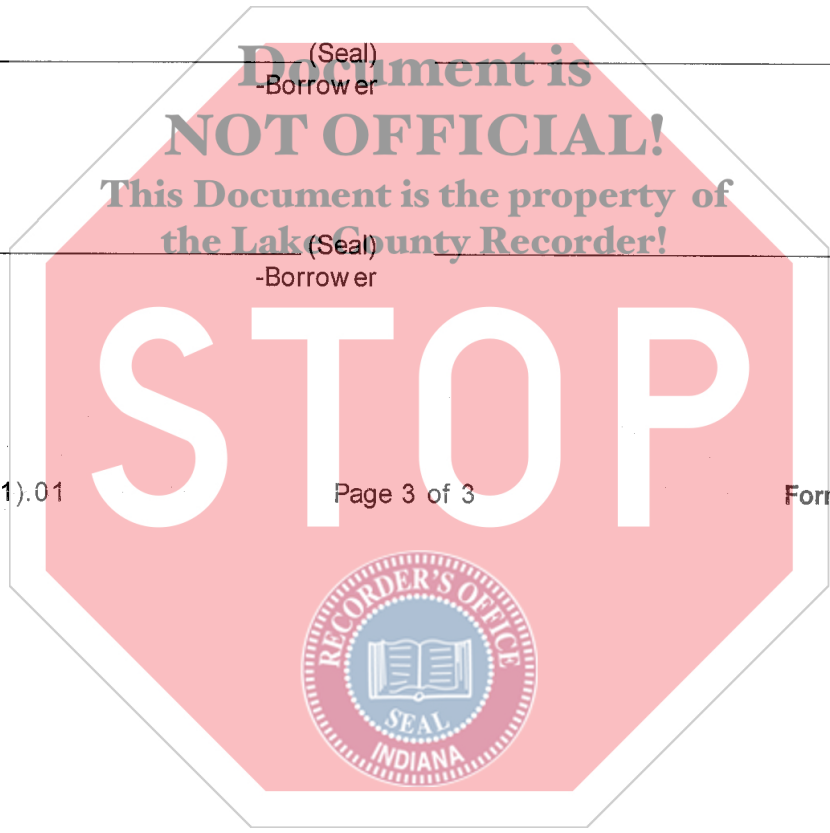
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(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

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Form 3170 1/01



**ADJUSTABLE RATE RIDER**

THIS ADJUSTABLE RATE RIDER is made this .....8th..... day of ..June.., 2005.....  
..... and is incorporated into and shall be deemed to amend and supplement  
the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given  
by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to ...  
..... Lake Federal Bank, FSB.....

.....  
.....  
(the "Lender") of the same date and covering the property described in the Security Instrument  
and located at:

.....1709 Camellia Drive, Munster, IN 46321.....  
[Property Address]

**NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH  
CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE  
INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT  
IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL  
RESULT IN LOWER PAYMENTS.**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the  
Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. INTEREST RATE AND PERIODIC PAYMENT CHANGES**

The Note provides for an initial interest rate of .....6.00.....%. The Note provides  
for changes in the interest rate and the payments, as follows:

**3. PAYMENTS**

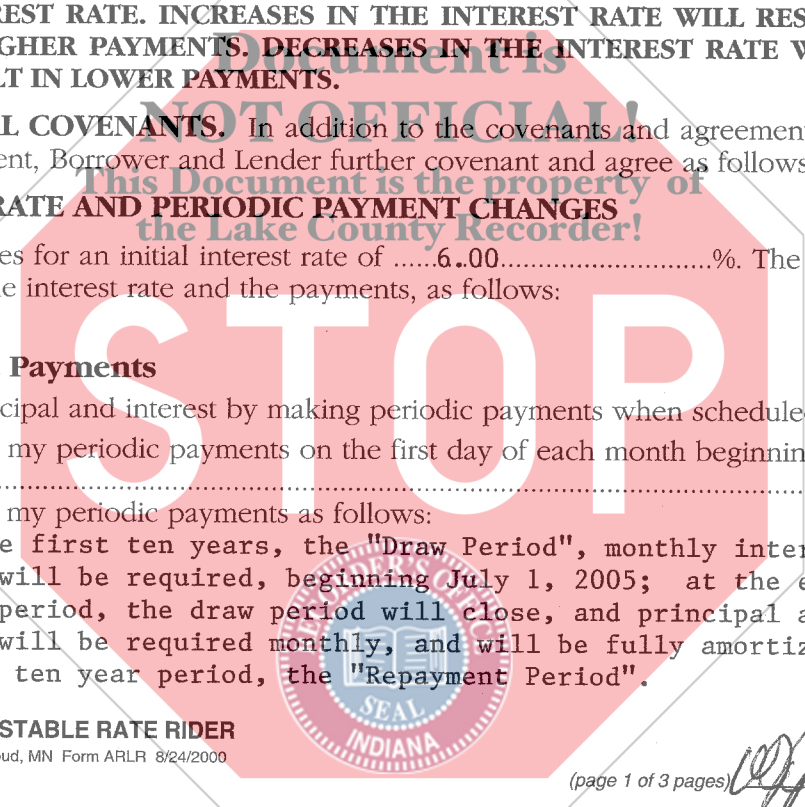
**(A) Periodic Payments**

I will pay principal and interest by making periodic payments when scheduled: (mark one):

I will make my periodic payments on the first day of each month beginning on .....

I will make my periodic payments as follows:

During the first ten years, the "Draw Period", monthly interest only  
payments will be required, beginning July 1, 2005; at the end of  
the draw period, the draw period will close, and principal and interest  
payments will be required monthly, and will be fully amortized over the  
remaining ten year period, the "Repayment Period".



*[Handwritten signatures]*

based upon comparable information. The Note Holder will give me notice of this choice  
If the Index is no longer available, the Note Holder will choose a new index which is  
before each Change Date is called the "Current Index."

The most recent Index figure available as of the date  45 days  the last day of the month

The Wall Street Journal Prime Rate

"Index" is: Beginning with the first Change Date, my interest rate will be based on an Index. The

**(B) The Index**

and on every thereafter:

The interest rate I will pay may change

and on that day every month thereafter:

The interest rate I will pay may change on the first day of July, 2005

Each date on which my interest rate could change is called a "Change Date." (Mark one)

**(A) Change Dates**

**4. INTEREST RATE AND PERIODIC PAYMENT CHANGES**

and the changed amount of my periodic payment in accordance with Section 4 of the Note.

Changes in my periodic payment will reflect changes in the unpaid principal of my loan

and in the interest rate that I must pay. The Note Holder will determine my new interest rate

**(D) Periodic Payment Changes**

This amount may change:

Each of my initial periodic payments will be in the amount of U.S. \$

**(C) Amount of My Initial Periodic Payments**

or at a different place if required by the Note Holder:

I will make my periodic payments at PO Box 2277, Hammond, IN 46323

full on that date, which is called the "Maturity Date."

June 1, 2025. I still owe amounts under the Note, I will pay those amounts in

My periodic payments will be applied to interest before Principal. If, on

and any other charges described in the Note.

I will make these payments as scheduled until I have paid all of the principal and interest

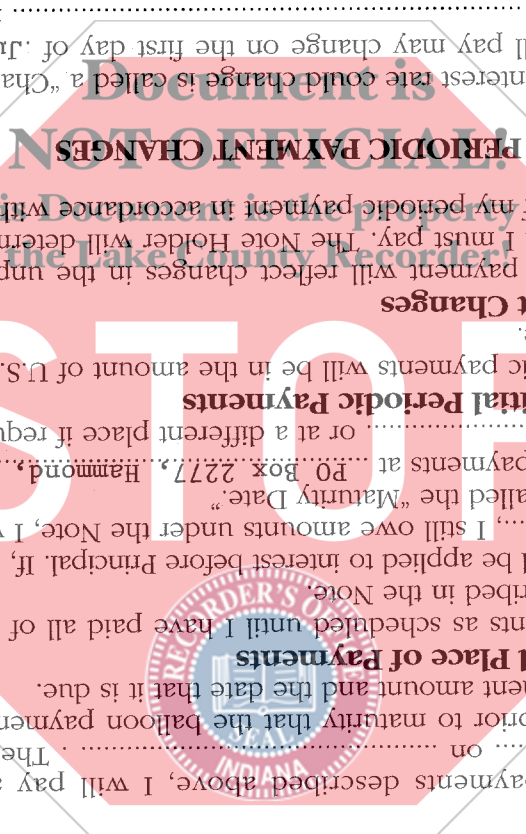
**(B) Maturity Date and Place of Payments**

state the Balloon Payment amount and the date that it is due.

or mail to me notice prior to maturity that the balloon payment is due. This notice will

\$ on The Note Holder will deliver

In addition to the payments described above, I will pay a "Balloon Payment" of



Handwritten signature and initials.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by .....none..... percentage points (.....0.00....%) to the Current Index. The result of this calculation:

- will not be rounded off.
- will be rounded off by the Note Holder to the nearest .....%.
- will be rounded off by the Note Holder up to the nearest .....%.
- will be rounded off by the Note Holder down to the nearest .....%.

Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the periodic payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my periodic payment.

**(D) Limits on Interest Rate Changes**

- My interest rate will never be increased or decreased on any single Change Date by more than ..... percentage points from the rate of interest I have been paying for the preceding period.
- My interest rate will never be greater than .....21.00.....% or less than .....0.00.....%.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new periodic payment beginning on the first periodic payment date after the Change Date until the amount of my periodic payment changes again.

~~**(F) Notice of Changes**~~

~~At least 25 days, but no more than 120 days, before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my periodic payment. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.~~

**B. FUNDS FOR TAXES AND INSURANCE**

Uniform Covenant 3 of the Security Instrument is waived by the Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

*William J. Jagadich* ..... (Seal)  
William J. Jagadich -Borrower  
*Lynda M. Jagadich* ..... (Seal)  
Lynda M. Jagadich -Borrower