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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2006 073641

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Loan #: 21003547332

MICHAEL A. BROWN
RECORDER

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MORTGAGE

THIS MORTGAGE is made this 3rd day of August, 2006
Richard K Hardesty and Ruth A Hardesty, Husband And Wife

, between the Mortgagor,

and the Mortgagee,

PEOPLES BANK SB
a corporation organized and existing under the laws of the State of Indiana
9204 COLUMBIA AVE
MUNSTER, IN 46321

(herein "Borrower"),

, whose address is

(herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$ 120,000.00
indebtedness is evidenced by Borrower's note dated August 3, 2006
thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on August 8, 2016

, which

and extensions and renewals

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with the interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of LAKE, INDIANA, State of Indiana:

LOT 17 IN SCHILLING'S 7TH ADDITION, UNIT 2, TO THE TOWN OF DYER, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 47 PAGE 1, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

STOP



(Page 1 of 6 pages)

INDIANA SECOND MORTGAGE

ITEM 4615L1 (0107)

GREATLAND ■

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INDIANA SECOND MORTGAGE

payments or ground rents, if any. Borrower's covenants to make payments when due. Borrower 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 under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

Upon payment in full of the sale of the Property or its acquisition by Lender, any Funds held by Lender prior to the time of Lender. If under paragraph 17 hereof the Property is sold or the Funds held by Lender, Lender shall apply, Lender at the time of no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender necessary to make up the deficiency in one or more payments as Lender may require.

If the amount necessary to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender

repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes,

due payment of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the date of maturity of this Mortgage in one or more payments as Lender may require.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the date of maturity of this Mortgage in one or more payments as Lender may require.

If Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender:

Borrower shall not be obligated to make such payments if the Funds to Lender to the extent that reasonable estimates thereof, Borrower shall estimate to make such payments of the Funds to Lender and debts to the Funds to Lender, without charge, an annual accounting of the Funds showing credits and debits to the Funds. Lender shall give to Borrower, without charge, a statement of the Funds showing credits and debits to the Funds and debts to the Funds to Lender to the extent that reasonable estimates thereof, Borrower shall not be required to pay Borrower any interest if made or

executed on this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid to Borrower, and Lender may agree in writing at the time of the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on pay taxes, assessments, insurance premiums and ground rents. Lender may hold money and applying the or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender shall be held in an institution the deposits of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender shall be held in an institution the deposits of which are insured

2. **Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Lender, a sum Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum evidenced by the Note and late charges as provided in the Note.

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender:

one-twelfth of yearly premiums installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus

Lender to one-twelfth of the yearly taxes and assessments (including condominium and planned unit (herein "Funds"), equal to the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum evidenced by the Note and late charges as provided in the Note.

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 (or the leasehold estate if this Mortgage is on a leasehold) are heretofore referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender:

which has the address of Dyer, Indiana 46311 (herein "Property Address").

[City] [Street] [Zip Code]
826 Wells Ct, Dyer, Indiana 46311 (herein "Property Address").

. 5. **Hazard Insurance.** Borrower 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 Borrower 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, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower 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 Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower 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.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower 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. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's 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.

7. Protection of Lender's Security. If Borrower fails 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 Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. 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, deed of trust or other security agreement with a lien which has priority over this Mortgage.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's 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 exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower'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 Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to

INDIANA SECOND MORTGAGE

Mortgagee and the obligations secured hereby shall remain in full force and effect as it is now accrued.
Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender shall be entitled, to the extent
provided by applicable law, to collect and retain such rents as they become due and payable.

Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies
as provided in paragraph 17 hereof, including, but not limited to, reasonable attorney fees; and (d) Borrower takes such action
as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's
obligation to pay the sums secured by this Mortgage shall continue unimpeded. Upon such payment and cure by Borrower, this
Mortgage may be terminated, but not limited to, reasonable attorney fees; and (c) Borrower pays all reasonable expenses incurred by
Lender in enforcing the covenants of Borrower contained in this Mortgage, and in enforcing Lender's remedies
as provided in paragraph 17 hereof, including, but not limited to, reasonable attorney fees; and (b) Borrower cures all sums which
would be then due under this Mortgage and the Note had no acceleration occurred; (a) Borrower pays Lender all sums which
discontinued at any time prior to the right to have the right to proceedings begun by Lender to enforce this Mortgage
to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage due
to Borrower's breach. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due
to documentation evidence, abstracts and title reports.

such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney fees, and costs of
without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in
Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable
Borrower to acceleration and foreclosure. If the breach is cured on or before the date specified in the notice
acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of
proceeding, and sale of the property. The notice shall further inform Borrower of the right to remit after
the date specified in the note may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial
notice is mailed to Borrower, by which such breach must be cured; (3) a date, not less than 10 days from the date the date
specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the
this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof
covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by
covenant or agreement; Remedies, Except as provided in paragraph 16 hereof, upon Borrower's breach of any
17. Acceleration; Remedies, Except as provided in paragraph 16 hereof, Lender further covenants and agree as follows:

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

by this Mortgage without further notice or demand on Borrower.
If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted
less than 30 days from the date the note is delivered or mailed within which Borrower must pay all sums secured by this
If Lender exercises his option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not
However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.
Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage.
sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without
the Property.

which Borrower may have against Parties who supply labor, materials or services in connection with improvements made to
Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses
improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require
execution of a affidavit recording of clause of this Mortgage or clause of Note which conflict shall not affect other
15. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation,
executed after recording hereof.

14. Borrower's Copy. Borrower shall be furnished a conforming copy of the Note and of this Mortgage at the time of
fees", include all sums to the extent not prohibited by applicable law or limited herein.

provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys'
event that any provision of clause of this Mortgage or the Note which conflict shall not affect other
in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the
have been given to Borrower or Lender when given in the manner designated herein.

Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to
and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as
Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein,

and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collections of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower.

21. Waiver of Valuation and Appraisement. Borrower hereby waives all right of valuation and appraisement.

**REQUEST FOR NOTICE OF DEFAULT
AND FORECLOSURE UNDER SUPERIOR
MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

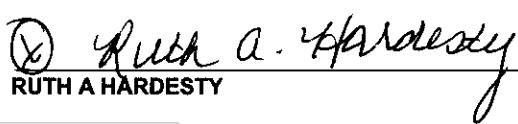
YOU ARE NOT OBLIGATED TO PAY ANY MONEY UNLESS YOU SIGN THIS CONTRACT AND RETURN IT TO THE SELLER/LENDER.

IN WITNESS WHEREOF, Borrower has executed and acknowledges receipt of pages 1 through 6 of this Mortgage.



RICHARD K HARDESTY

(Seal)
-Borrower



RUTH A HARDESTY

(Seal)
-Borrower

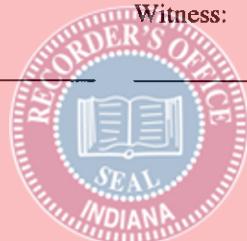
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**This Document is the property of
the Lake County Recorder!**

(Seal)
-Borrower

(Seal)
-Borrower

STOP



Witness:

Witness:

INDIANA SECOND MORTGAGE

ITEM 4615L5 (0107)

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GREATLAND ■

To Order Call: 1-800-530-9393 □ Fax: 816-791-1131

INDIANA SECOND MORTGAGE

MUNSTER, IN 46321
9204 COLUMBIA AVE
PEOPLES BANK SB

After Recording Return To:

SHELLY WILSON

Unless required by law, that I have taken care to redact each Social Security number in this document.

I affirm, under the penalties for perjury, that [Name] This instrument was prepared by: SHELLY WILSON, CONSUMER LOAN PROCESSOR

NOT OFFICIAL!

This Document is the property of
the Lake County Recorder!



RACHEL CLINTZ
County of residence: LAKE
My commission expires: 11/02/20
RACHEL CLINTZ

(name[s] of signer[s])

(a Notary Public) this 3rd day of



Richard K Hardisty and Ruth A Hardisty, Husband And Wife

Acknowledged the execution of the annexed mortgage.

August, 2006

Before me, RACHEL CLINTZ

State of Indiana

County of LAKE

Recorder's Office