

PLEASE RETURN TO:  
PEOPLES BANK SB  
9204 COLUMBIA AVE  
MUNSTER, IN 46321

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2007 048077

2007 JUN 13 AM 9:50

MICHAEL A. BROWN  
RECORDER

Loan #: 00260030516

620072208 LD [Space Above This Line For Recording Data]

# MORTGAGE

(OPEN END CREDIT - FUTURE ADVANCES ARE SECURED BY THIS MORTGAGE)

Chicago Title Insurance Company

THIS MORTGAGE ("Security Instrument") is given on May 15, 2007  
The mortgagor is THOMAS A CARTON AND LINDA K CARTON, HUSBAND AND WIFE

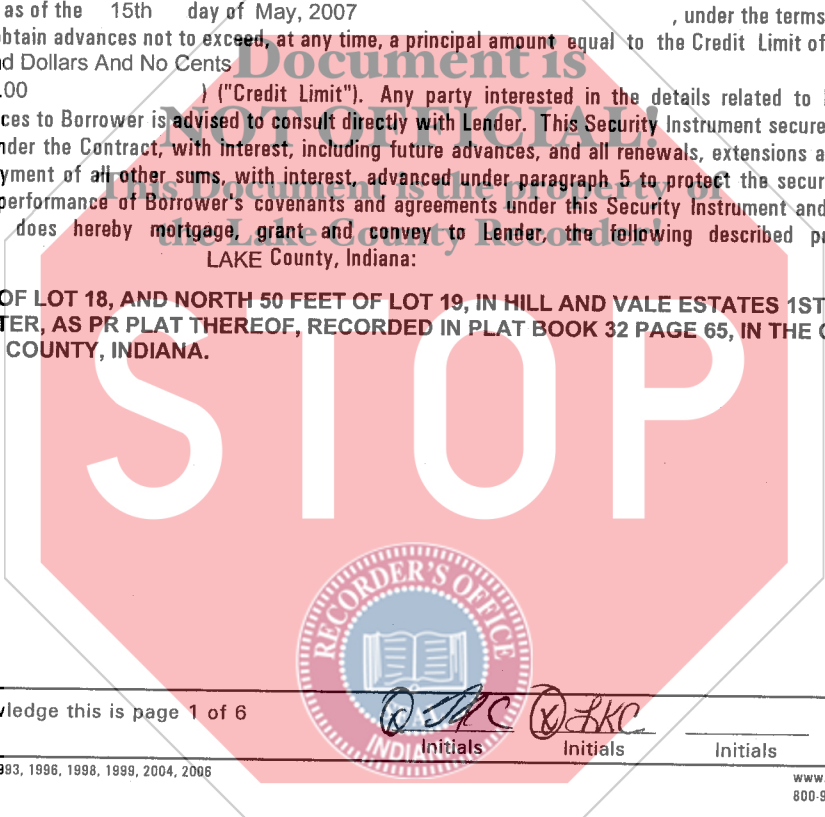
whose address is 8728 BARING AVE, MUNSTER, IN 46321

("Borrower"). This Security Instrument is given to PEOPLES BANK SB  
which is organized and existing under the laws of the State of Indiana  
and whose address is 9204 COLUMBIA AVE, MUNSTER, IN 46321

("Lender"). Borrower has entered into a Home Equity Line of Credit loan  
("Contract") with Lender as of the 15th day of May, 2007, under the terms of which Borrower  
may, from time to time, obtain advances not to exceed, at any time, a principal amount equal to the Credit Limit of  
One Hundred Thousand Dollars And No Cents

Dollars (U.S. \$ 100,000.00) ("Credit Limit"). Any party interested in the details related to Lender's continuing  
obligation to make advances to Borrower is advised to consult directly with Lender. This Security Instrument secures to Lender: (a) the  
repayment of the debt under the Contract, with interest, including future advances, and all renewals, extensions and modifications of  
the Contract; (b) the payment of all other sums, with interest, advanced under paragraph 5 to protect the security of this Security  
Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Contract. For  
this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in  
LAKE County, Indiana:

THE SOUTH 50 FEET OF LOT 18, AND NORTH 50 FEET OF LOT 19, IN HILL AND VALE ESTATES 1ST ADDITION, TO  
THE TOWN OF MUNSTER, AS PR PLAT THEREOF, RECORDED IN PLAT BOOK 32 PAGE 65, IN THE OFFICE OF THE  
RECORDER OF LAKE COUNTY, INDIANA.



By initialing, I acknowledge this is page 1 of 6  
of the Mortgage.

THAC LKC \_\_\_\_\_  
Initials Initials Initials Initials

24  
DG  
CT

By initialing, I acknowledge this is page 2 of 6 of the Mortgage.  
Initials \_\_\_\_\_  
Initials \_\_\_\_\_  
Initials \_\_\_\_\_

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments due under the Contract or change the amount of the payments. If under paragraph 17 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within the number of days prescribed by applicable law as set forth in a notice from Lender to Borrower that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The period of time for Borrower to answer as set forth in the notice will begin when the notice is given.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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.

3. **Hazard or Property 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 any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 5.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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.

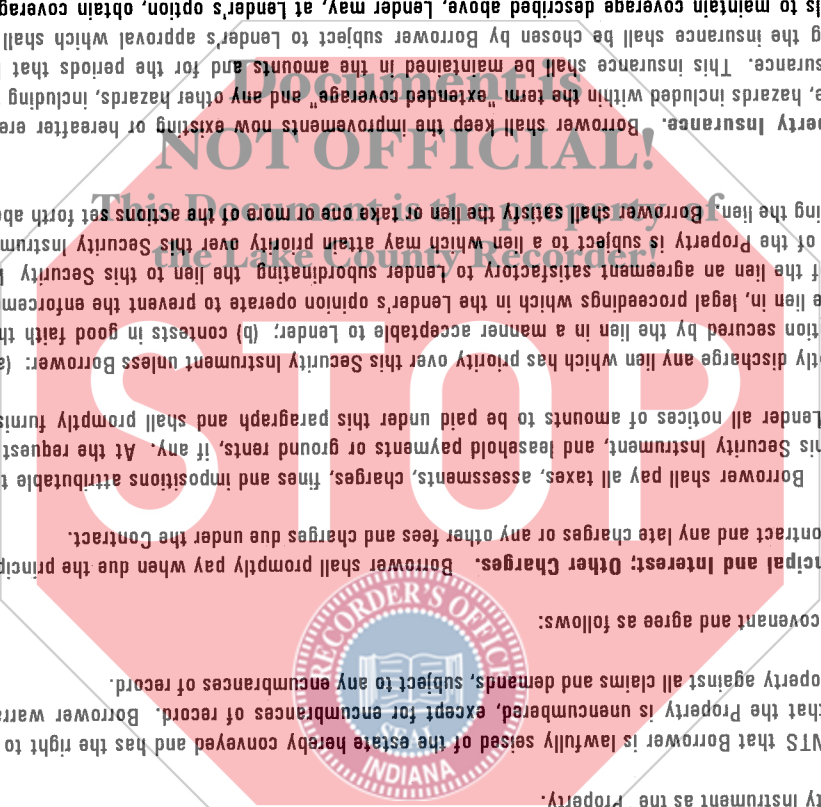
2. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may be levied against the Property, including but not limited to, property taxes, taxes on improvements, and taxes on the Property. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

1. **Payment of Principal and Interest; Other Charges.** Borrower shall promptly pay when due the principal of and interest on the debt owed under the Contract and any late charges or any other fees and charges due under the Contract.

Borrower and Lender covenant and agree as follows:  
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 warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

which has the address of  
Indiana 46321 ("Property Address");  
[Street] 8728 BARING AVE  
[City] MUNSTER



**4. Preservation, Maintenance and Protection of the Property.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such default and reinstate, as provided in paragraph 15, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest.

**5.P Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 5, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 5 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the same rate assessed on advances under the Contract and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**6.I Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of, or prior to, an inspection specifying reasonable cause for the inspection.

**7. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

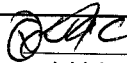

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within the minimum number of days established by applicable law after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments due under the Contract or change the amount of such payments.

**8. 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 Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**9.S Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 14. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but has no personal liability under the Contract: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Contract without that Borrower's consent.

By initialing, I acknowledge this is page 3 of 6 of the Mortgage.

  \_\_\_\_\_  
Initials Initials Initials Initials



As in this paragraph 16, "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 in this paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

17. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument or the Contract under which acceleration is permitted (but not prior to acceleration under paragraph 14 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than the minimum number of days established by applicable law from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument, without further demand, and may foreclose this Security Instrument by judicial proceeding. Subject to limitations imposed by applicable law, Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

18. **Release.** Upon payment of all sums secured by this Security Instrument and the termination of Borrower's right to obtain future advances under the Contract, Lender shall release this Security Instrument without charge to Borrower.

19. **Waiver of Valuation and Appraisal.** Borrower waives all right of valuation and appraisal.

20. **Additional Provision(s).**



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument.

Witnesses:

\_\_\_\_\_  
THOMAS A CARTON -Borrower

\_\_\_\_\_  
LINDA K CARTON -Borrower

\_\_\_\_\_  
-Borrower

\_\_\_\_\_  
-Borrower

By initialing, I acknowledge this is page 6 of 6 of the Mortgage.  
Initials \_\_\_\_\_  
Initials \_\_\_\_\_  
Initials \_\_\_\_\_

In a firm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. SHELLY WILSON

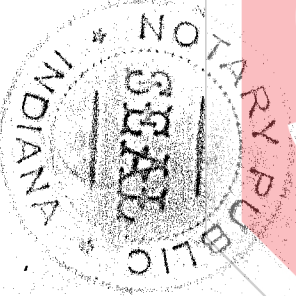
PEOPLES BANK SB  
9204 COLUMBIA AVE  
MUNSTER, IN 46321

This instrument Prepared By: SHELLY WILSON  
After Recording Return To:

**Document is NOT OFFICIAL!**  
**This Document is the property of the Lake County Recorder!**

RACHEL C LENTZ

Notary Public



My Commission expires: November 2, 2011  
County of Residence: LAKE  
(Official Seal)

Witness my hand and official seal.

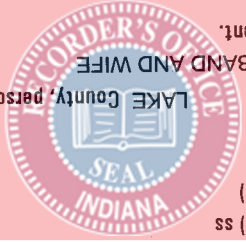
and acknowledged the execution of the foregoing instrument.

Notary Public in and for

On this 15th day of May, 2007

COUNTY OF LAKE

STATE OF INDIANA



, before me, the undersigned, a

LAKE County, personally appeared

) ss

)

)