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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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MICHAEL A. BROWN  
RECORDER

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**MORTGAGE**

(With Future Advance Clause)

**DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is September 22, 2008. The parties and their addresses are:

**MORTGAGOR:**

**MICHAEL C. KOVERA, ALSO KNOWN AS MICHAEL KOVERA**  
648 Glenwood Ave.  
Griffith, IN 46319

**PAMALA E. KOVERA, ALSO KNOWN AS PAMELA KOVERA, ALSO KNOWN AS PAMALA KOVEA**  
husband and wife  
648 Glenwood Ave.  
Griffith, IN 46319

**LENDER:**

**GRIFFITH SAVINGS BANK**  
Organized and existing under the laws of Indiana  
510 N. Broad Street  
Griffith, IN 46319

**1. CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's

Michael C. Kovera, also known as Michael Kovera  
Indiana Mortgage

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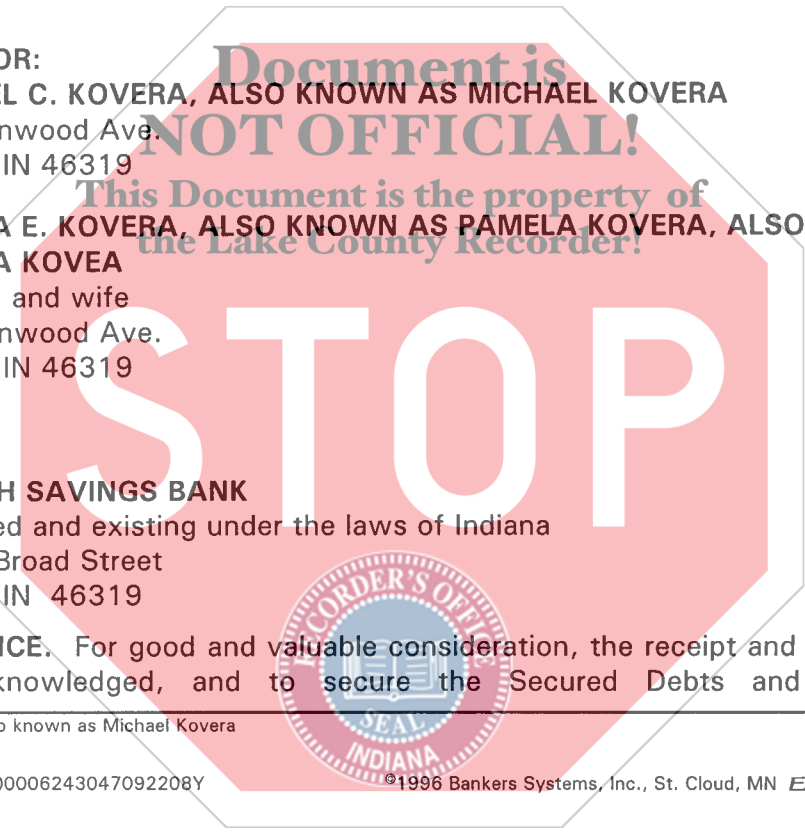
Page 1 of 1

"I affirm, under the penalties for perjury, that I have taken reasonable care to reflect each Social Security number in this document, unless required by law." Hazel Gardin

**Ticor Title recorded this document as an accommodation. Ticor did not examine the document or the title of the real estate affected.**

Return: GSB

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28760



TICOR TITLE INSURANCE  
Crown Point, Indiana

performance under this Security Instrument, Mortgagor grants, bargains, conveys, mortgages and warrants to Lender, the following described property:

See Exhibit "A" attached hereto and made a part hereof by reference

The property is located in Lake County at 3521 Ridge Rd., Highland, IN 46322 8905 Kennedy Ave., Highland, IN 46322, 428 Arbogast, Griffith, IN 46319 and 5708 S. Northcote Ave., Hammond, IN 46320.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, wells, 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 (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

**2. MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time will not exceed \$76,000.00. 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.

**3. SECURED DEBTS.** The term "Secured Debts" includes and this Security Instrument will secure each of the following:

**A. Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note or other agreement, No. 190005091, dated September 22, 2008, from Mortgagor to Lender, with a maximum credit limit of \$76,000.00 and maturing on September 15, 2028. One or more of the debts secured by this Security Instrument contains a future advance provision.

**B. Sums Advanced.** All sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

**4. PAYMENTS.** Mortgagor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument.

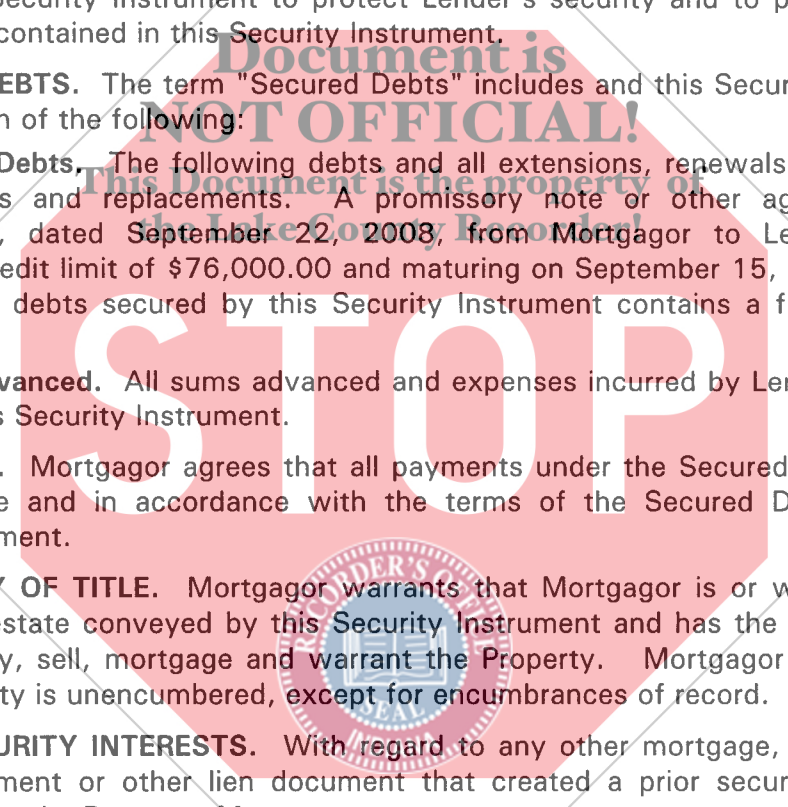
**5. WARRANTY OF TITLE.** Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell, mortgage and warrant the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

**6. PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:

A. To make all payments when due and to perform or comply with all covenants.

Michael C. Kovera, also known as Michael Kovera  
Indiana Mortgage

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document of the title of the real estate affected.



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B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.

C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

**7. CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

**8. ASSUMPTIONS.** Subject to conditions and Lender's written consent, someone buying the Property may be allowed to assume this Security Instrument. Without written consent, Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.

**9. WARRANTIES AND REPRESENTATIONS.** Mortgagor has the right and authority to enter into this Security Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing Mortgagor or to which Mortgagor is a party.

**10. PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

**11. AUTHORITY TO PERFORM.** If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the

law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

**12. ASSIGNMENT OF LEASES AND RENTS.** Mortgagor assigns, grants, bargains, conveys, mortgages and warrants to Lender as additional security all the right, title and interest in the following (Property): existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (Leases); and rents, issues and profits (Rents). In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants.

**13. MORTGAGE COVENANTS.** Mortgagor agrees that the covenants in this Security Instrument are material obligations under the Secured Debts and this Security Instrument. If Mortgagor breaches any covenant in this Security Instrument, Lender may refuse to make additional extensions of credit or may reduce the credit limit. By not exercising either remedy on Mortgagor's breach, Lender does not waive Lender's right to later consider the event a breach if it happens again.

**14. DEFAULT.** Mortgagor will be in default if any of the following occur:

- A. Fraud.** Mortgagor engages in fraud or material misrepresentation in connection with the Secured Debts.
- B. Payments.** Any party obligated on the Secured Debts fails to make a payment when due.
- C. Property.** Any action or inaction occurs that adversely affects the Property or Lender's rights in the Property.

**15. REMEDIES ON DEFAULT.** In addition to any other remedy available under the terms of this Security Instrument, Lender may accelerate the Secured Debts and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal will become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter.

The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it happens again.

**16. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** If Mortgagor breaches any covenant in this Security Instrument, Mortgagor agrees to pay all expenses Lender incurs in performing such covenants or protecting its security interest in the Property. Such expenses include, but are not limited to, fees incurred for inspecting, preserving, or otherwise protecting the Property and Lender's security interest. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing, or protecting Lender's rights and remedies under this Security Instrument or any other document relating to the Secured Debts. Expenses include, but are not limited to, reasonable attorneys' fees after default and referral to an attorney not a salaried employee of the Lender. These expenses are payable on demand and will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of Secured Debts. In addition, to the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees incurred by Lender to protect Lender's rights and interests in connection with any bankruptcy proceedings initiated by or against Mortgagor. This Security Instrument will remain in effect until released. Mortgagor agrees to pay for any recordation costs of such release.

**17. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

**A.** Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.

B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are, and will remain in full compliance with any applicable Environmental Law.

C. Mortgagor will immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with any Environmental Law.

D. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

**18. CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

**19. INSURANCE.** Mortgagor agrees to keep the Property insured against the risks reasonably associated with the Property. Mortgagor will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debts. Mortgagor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld. All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause."

Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgagor will immediately notify Lender of cancellation or termination of insurance. If Mortgagor fails to keep the Property insured, Lender may obtain insurance to protect Lender's interest in the Property and Mortgagor will pay for the insurance on Lender's demand. Lender may demand that Mortgagor pay for the insurance all at once, or Lender may add the insurance premiums to the balance of the Secured Debts and charge interest on it at the rate that applies to the Secured Debts. This insurance may include coverages not originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance. Mortgagor

acknowledges and agrees that Lender or one of Lender's affiliates may receive commissions on the purchase of this insurance.

**20. ESCROW FOR TAXES AND INSURANCE.** Mortgagor will pay to Lender amounts for (a) yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument, (b) yearly leasehold payments or ground rents (if any), (c) yearly premiums for hazard or property insurance, (d) yearly premiums for flood insurance (if any), and (e) yearly premiums for mortgage insurance (if any). Mortgagor will pay those amounts to Lender unless Lender tells Mortgagor, in writing, that Mortgagor does not have to do so, or unless the law requires otherwise. Mortgagor will make those payments at the times required by Lender.

Lender will estimate from time to time Mortgagor's yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the Escrow Items. Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amounts that Mortgagor pays to Lender for Escrow Items under this section will be called the Funds. Lender will collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Mortgagor's escrow account under the federal Real Estate Settlement Procedures Act of 1974 (as amended), unless another law that applies to the Funds sets a lesser amount. If so, Lender will collect and hold Funds in the lesser amount.

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Lender will use the Funds to pay the Escrow Items. Lender will give Mortgagor, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge Mortgagor for holding or keeping the Funds, for using the Funds to pay Escrow Items, for analyzing Mortgagor's payments of Funds, or for receiving, verifying and totaling assessments and bills. However, Lender may charge Mortgagor for these services if Lender pays Mortgagor interest on the Funds and if the law permits Lender to make such a charge. Lender may require Mortgagor to pay a one-time charge for an independent real estate tax reporting service used by Lender in accordance with the Secured Debts, unless applicable law provides otherwise. Lender will not be required to pay Mortgagor any interest or earnings on the Funds unless either (i) Lender and Mortgagor agree in writing, at the time Mortgagor signed this Security Instrument, that Lender will pay interest on the Funds; or (ii) the law requires Lender to pay interest on the Funds.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender will account to borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may notify borrower in writing, and, in such case, borrower will pay to Lender the amount necessary to make up the shortage or deficiency. Borrower shall make up the shortage or deficiency as Lender directs, subject to the requirements of applicable law.

If, by reason of any default under this Security Instrument, Lender declares all Secured Debts due and payable, Lender may then apply any Funds against the Secured Debts. When Mortgagor has paid all of the sums secured, Lender will promptly refund to Mortgagor any Funds that are being held by Lender.

**21. CO-SIGNERS.** If Mortgagor signs this Security Instrument but is not otherwise obligated to pay the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree by signing this Security Instrument to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

**22. WAIVERS.** Except to the extent prohibited by law, Mortgagor waives all rights of valuation and appraisal relating to the Property.

**23. OTHER TERMS.** The following are applicable to this Security Instrument:

**A. Line of Credit.** The Secured Debts include a revolving line of credit provision. Although the Secured Debts may be reduced to a zero balance, this Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

**B. Riders.** The covenants and agreements of the following riders are incorporated into and supplement and amend the terms of this Security Instrument.

GSB Advantage Loan Consumer Open-End Agreement dated September 22, 2008 and 1-4 Family Rider

**24. APPLICABLE LAW.** This Security Instrument is governed by the laws of Indiana, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

**25. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** Each Mortgagor's obligations under this Security Instrument are independent of the obligations of any other Mortgagor. Lender may sue each Mortgagor individually or together with any other Mortgagor. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgagor.



**26. AMENDMENT, INTEGRATION AND SEVERABILITY.** This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor and Lender. This Security Instrument and any other documents relating to the Secured Debts are the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

**27. INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

**28. NOTICE, FINANCIAL REPORTS, ADDITIONAL DOCUMENTS AND RECORDING TAXES.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Mortgagor will be deemed to be notice to all Mortgagors. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording of this Security Instrument. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property, and Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording thereof. Time is of the essence.

**SIGNATURES.** By signing, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.

**MORTGAGOR:**



Michael C. Kovera, also known as Michael Kovera  
Individually



Pamala E. Kovera, also known as Pamela Kovera, also known as Pamala Kovera  
Individually

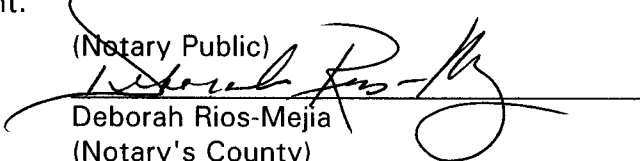
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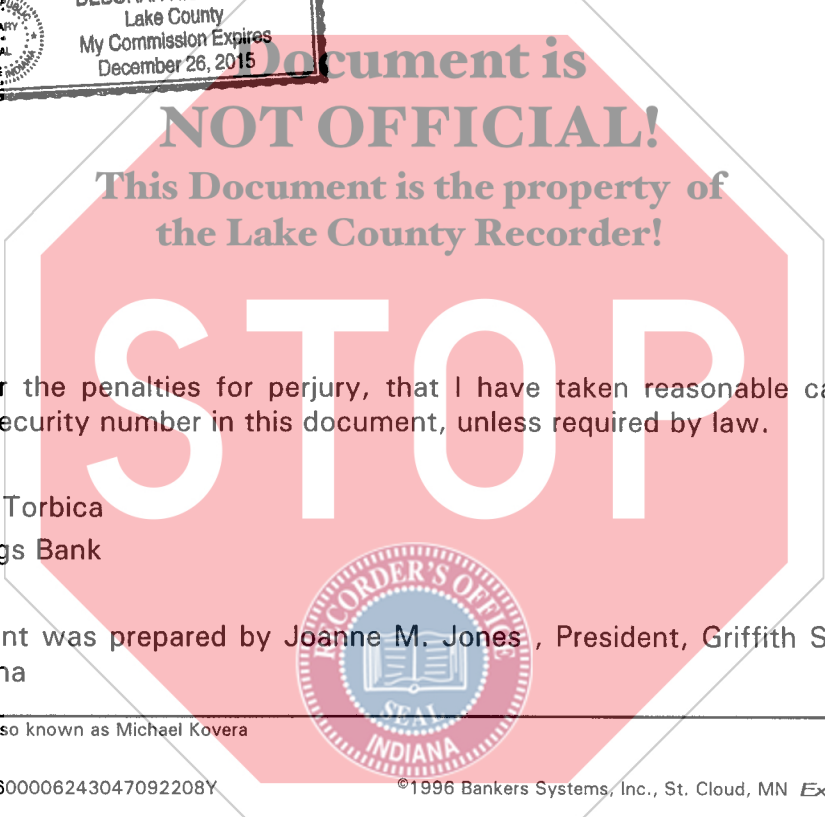
**(Individual)**

STATE OF INDIANA, COUNTY OF LAKE ss.

Before me, Deborah Rios-Mejia, a Notary Public this 22<sup>nd</sup> day of September, 2008, Michael C. Kovera, also known as Michael Kovera , and Pamala E. Kovera, also known as Pamela Kovera, also known as Pamala Kovera, husband and wife, acknowledged the execution of the annexed instrument.

My commission expires:  
12/26/2015

(Notary Public)  
  
Deborah Rios-Mejia  
(Notary's County)  
Lake



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

Name: Sylvia Torbica  
Griffith Savings Bank

This instrument was prepared by Joanne M. Jones , President, Griffith Savings Bank, Griffith, Indiana

Michael C. Kovera, also known as Michael Kovera  
Indiana Mortgage

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Page 10

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

THIS 1-4 FAMILY RIDER is made this 22nd day of September 2008, 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 GRIFFITH SAVINGS BANK (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

3521 Ridge Rd., Highland, IN 46322,  
8905 Kennedy Ave., Highland, IN 46322  
428 Arbogast, Griffith, IN 46319 &  
5708 S. Northcote Ave., Hammond, IN 46320

[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

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

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Bankers Systems, Inc., St. Cloud, MN

Page 11

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.

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

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

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

**H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

Form 3170 1/01

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

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Page 12

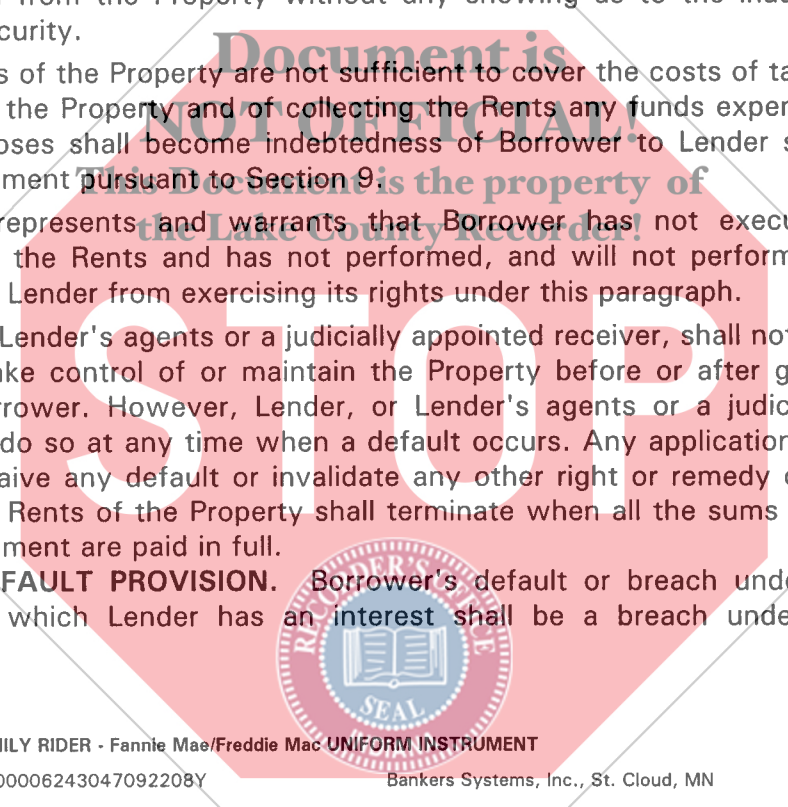
If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii)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

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

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 from exercising its rights under this paragraph.

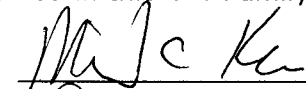
Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

**I. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security

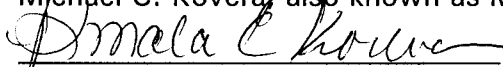


Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

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

 (Seal)

Michael C. Kovera, also known as Michael Kovera - Borrower

 (Seal)

Pamala E. Kovera, also known as Pamela Kovera, also known as Pamala Kovera - Borrower



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

IN/4XXdebbie00084600006243047092208Y

Bankers Systems, Inc., St. Cloud, MN

Form 3170 1/01

Page 4

Exhibit "A"

Parcel 1: Part of the Southeast Quarter of the Southwest Quarter of Section 22, Township 36 North, Range 9 West of the Second Principal Meridian, commencing at a point on the North line of Ridge Road which point is 26 rods West of the East line of said Southeast Quarter of the Southwest Quarter of said Section 22, running thence North on a line parallel to the East line of said tract 150 feet; thence East 49-1/2 feet; thence South to the North line of said Ridge Road; thence Westerly along the North line of said Ridge Road to the place of beginning, all in the Town of Highland, Lake County, Indiana.

Parcel 2: The West half of Lot 1 in Groot & Szur's Addition to Highland, as per plat thereof, recorded in Plat Book 23 page 68, in the Office of the Recorder of Lake County, Indiana.

Parcel 4: Lots 9 and 10 in Block 4 in Town of Griffith, as per plat thereof, recorded in Plat Book 2 page 45, in the Office of the Recorder of Lake County, Indiana.

Parcel 5: Lots 2 and 3 in Block 4 in Resubdivision of George Ruston's Addition to Hammond, as per plat thereof, recorded in Plat Book 31 page 3, in the Office of the Recorder of Lake County, Indiana.



LOAN NUMBER	LOAN NAME	ACCT. NUMBER	AGREEMENT DATE	INITIALS
190005091	Michael C. Kovera		09/22/08	drm
CREDIT LIMIT	INDEX (w/Margin)	INITIAL RATE	MATURITY DATE	LOAN PURPOSE
\$76,000.00	Wall Street Journal Prime plus 2.000%	7.000%	09/15/28	Consumer
TRANS. ACCT. NUMBER	DRAW PERIOD	REPYMT. PERIOD	PAYMENT DATE	BILLING CYCLE
Not Applicable	10 Years	10 Years	the 15th of every month	Monthly
Creditor Use Only				

## GSB ADVANTAGE LOAN CONSUMER OPEN-END AGREEMENT

**DATE AND PARTIES.** The date of this GSB Advantage Loan Agreement (Agreement) is September 22, 2008. The parties and their addresses are:

**LENDER:**

**GRIFFITH SAVINGS BANK**  
510 N. Broad Street  
Griffith, IN 46319  
Telephone: (219) 924-5950

**BORROWER:**

**MICHAEL C. KOVERA**  
648 Glenwood Ave.  
Griffith, IN 46319

**PAMALA E. KOVERA**  
648 Glenwood Ave.  
Griffith, IN 46319

**1. DEFINITIONS.** As used in this Agreement, the terms have the following meanings.

- A. Pronouns.** The pronouns "I", "me" and "my" refer to all Borrowers signing this Agreement, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Agreement. "You" and "your" refer to the Lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Line of Credit.
- B. Agreement.** Agreement refers to this GSB Advantage Loan Agreement, and any extensions, renewals, modifications and substitutions of it.
- C. Line of Credit.** Line of Credit refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Agreement.
- D. Loan Account Balance.** Loan Account Balance means the sum of the unpaid principal balance advanced under the terms of this Agreement, finance charges, certain fees and charges, credit insurance premiums that are due, and other amounts advanced to me or others under the terms of this Agreement.
- E. Dollar Amounts.** All dollar amounts will be payable in lawful money of the United States of America.
- F. Billing Cycle.** Billing Cycle means the interval between the days or dates of regular periodic statements. My Billing Cycle is Monthly. My Billing Cycle ends the last day of every month.
- G. Credit Limit.** Credit Limit means the maximum amount of the principal you will permit me to owe you under this Line of Credit, at any one time.
- H. Property.** Property means any property, real, personal or intangible, that secures my performance of the obligations of this Line of Credit.
- I. GSB Advantage Loan check.** GSB Advantage Loan check may be used like a check or draft for all types of personal needs. When presented to you a(n) GSB Advantage Loan check is a request for an advance. When accepting this request, you will enter a charge against my GSB Advantage Loan Loan Account Balance.

Other important terms are defined throughout this Agreement.

**2. TAX DEDUCTIBILITY.** I should consult a tax advisor regarding the deductibility of interest and charges under this Line of Credit.

**3. PROMISE TO PAY.** For value received, I promise to pay to you or your order, at your address, or at such other location as you may designate, the principal amount of \$76,000.00 (Credit Limit), or so much of the Credit Limit as may be advanced from time to time under the terms of this Agreement, plus costs, expenses and interest accruing as described in this Agreement until this Agreement matures or this obligation is accelerated.

**A. Agreement Term.** This Agreement begins on the Agreement Date and continues until the Maturity Date. The Draw Period is a period during the term of this Agreement that I may request advances. I may not request advances during the Repayment Period. Periodic minimum payments are required during both the Draw Period and Repayment Period.

The Draw Period is 10 years, and begins on the Agreement Date. The Repayment Period will then continue for 10 years. I may request to renew this Line of Credit at that time.

**B. Advances.** I can request advances by the following methods:

- (1) I write a(n) GSB Advantage Loan check that you have given me for this purpose.
- (2) I request a withdrawal in person.

**C. Advance Limitations.** Requests for, and access to, advances are subject to the following limitations.

- (1) Minimum Advance. I will only request advances that equal, or exceed \$100.00 (Minimum Advance).



(2) Advance Amount. When I request an advance, you will, subject to the limitations contained in this Agreement, advance exactly the amount I request, so long as the requested amount equals or exceeds the Minimum Advance. You will make the advance by one of the methods described in the Advances section. You will record the amount as an advance and increase my Loan Account Balance.

If my request is for less than the Minimum Advance, you may, at your option, grant the request to the extent permitted by law. However, granting the request does not mean you will be required to grant requests for less than the Minimum Advance in the future. You always have the option to deny any such request.

(3) Credit Limit. I agree not to request or obtain an advance that will cause the unpaid principal of my Loan Account Balance to exceed the Credit Limit. I understand that you will not ordinarily grant a request for an advance that would cause the unpaid principal of my Loan Account Balance to be greater than my Credit Limit. You may, at your option, grant such a request without obligating yourselves to do so in the future. If I exceed the Credit Limit, I agree to pay the amount by which the unpaid principal of my Loan Account Balance exceeds the Credit Limit immediately, even if you have not yet billed me.

**4. COMPUTATION OF FINANCE CHARGES.** Finance charges begin to accrue immediately when you make an advance to me. To figure the finance charge for each day in a Billing Cycle, you multiply the daily periodic rate by the Principal Balance of my Loan Account Balance on that day. You then add up those daily finance charges to figure the total finance charge for that Billing Cycle. To figure the Principal Balance for each day, you first take my Loan Account Balance at the beginning of each day and subtract any unpaid finance charges and credit insurance premiums (if any) that are due. Next, you subtract the portion of any payments or credits received that day which apply to the repayment of my debt. (A portion of each payment I make is applied to finance charges and credit insurance premiums, if any.) Then you add any new advances made that day. The final figure is the Principal Balance.

**A. Periodic Rate and Annual Percentage Rate.** The periodic rate used in calculating the **FINANCE CHARGE** is 0.01917808 percent per period, which corresponds to an **ANNUAL PERCENTAGE RATE** of 7.00 percent per annum. The annual percentage rate includes interest and not other costs.

**B. Variable Rate.** The annual percentage rate may change. It will be based on the value of the Index described as the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate plus 2.000 percentage points. This rate will be rounded to the nearest .001 percent. The annual percentage rate may increase if the Index rate increases. An Index rate increase will result in an increase in the interest portion of the finance charge and it may have the effect of increasing my periodic Minimum Payment. A decrease in the Index rate will have the opposite effect as an increase.

An Index rate increase or decrease will take effect on the first of each month. The annual percentage rate can increase or decrease monthly. If the Index rate changes more frequently than the annual percentage rate, you will use the Index rate in effect on the day you adjust the annual percentage rate to determine the new annual percentage rate. In such a case, you will ignore any changes in the Index rate that occur between annual percentage rate adjustments.

**C. Rate Change Limitations.** Annual percentage rate changes are subject to the following limitations:

(1) The maximum **ANNUAL PERCENTAGE RATE** that can apply during the term of this Line of Credit is 21.00 percent, or the maximum annual percentage rate allowed by applicable law, whichever is less. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the term of this Line of Credit is 5.00 percent.

**5. FEES AND CHARGES.** In addition to the interest portion of the Finance Charge, I agree to pay these additional fees and charges.

**A. Maintenance.** I agree to pay a charge of \$50.00 annually, after the first year, to continue my participation in this Loan.

**B. Application.** I agree to pay a charge of \$0.00.

**C. Remedial Charges.** I agree that I will pay certain fees and charges if I don't comply with the terms of this Agreement.

(1) **Late Charge.** If a payment is more than 10 days late, I will be charged 5.000 percent of the Amount of Payment or \$17.50, whichever is less. I will pay this late charge promptly but only once for each late payment. The late fee will increase or decrease by \$0.50 on July 1st of each even numbered year in which the permitted late fee changes pursuant to Indiana Code §§ 24-4.5-1-106 and 24-4.5-3-203.5.

(2) **Returned Check Charge.** I agree to pay a fee not to exceed \$20.00 for each check, negotiable order of withdrawal or draft I issue in connection with this Line of Credit that is returned because it has been dishonored.

**6. PAYMENTS.**

**A. Payment Date.** During the term of this Agreement, a Minimum Payment will be due by the Payment Date for any Billing Cycle in which there is an outstanding balance on my account. My Minimum Payments will be due monthly.

**B. Payment Amount.** On or before each Payment Date, I agree to make a payment of at least the Minimum Payment amount.

During the Draw Period, a Minimum Payment will equal the amount of any credit insurance premiums that are due, earned fees and charges, and the greater of the following: \$50.00 or 1.000 percent of the Principal Balance on the last day of the billing cycle in which an advance was made.

This amount will be rounded up to the nearest \$.01.

During the Repayment Period, a Minimum Payment will equal the amount of any credit insurance premiums that are due, earned fees and charges, and the greater of the following: \$50.00 or 2.000 percent of the Principal Balance on the last day of the billing cycle in which an advance was made.

This amount will be rounded up to the nearest \$.01.

**C. Principal Reduction.** The Minimum Payments may not fully repay the Principal Balance outstanding on my Loan Account Balance.

**D. Final Payment.** At maturity, I may have to repay the entire outstanding Loan Account Balance in a single payment. At that time you may, but are not obligated to, refinance this Line of Credit. If you do refinance this Line of Credit at maturity, I understand that I may have to pay some or all of the closing costs normally associated with a new loan.

**E. Additional Payment Terms.** If my Loan Account Balance on a payment date is less than the Minimum Payment amount, I must pay only the Loan Account Balance. If I fail to make a payment, you may, but are not required to, advance money to me to make the payment. All the terms of this Agreement would apply to such an advance. I can pay off all or part of what I owe at any time. However, so long as I owe any amount I must continue to make my periodic Minimum Payment as otherwise required by this Agreement unless you otherwise consent in writing in advance, which consent you agree not unreasonably to withhold. Unless otherwise agreed or required by applicable law, payments and other credits will be applied first to any charges that I owe other than principal and finance charges then to any charges that I owe other than principal and finance charges, and finally to any charges that I owe other than principal and finance charges. No late charge will be assessed on any payment when the only delinquency is due to late fees assessed on earlier payments and the payment is otherwise a full payment.

**F. Negative Amortization.** In the event that the Minimum Payment in the Payment Amount section does not equal or exceed the amount of any credit insurance premiums and accrued or earned finance charges, the unpaid portion will be carried over to subsequent billing periods and payments made for those periods will first be applied to the carryover amount, then to the current Billing Cycle fees, charges and principal. This is called negative amortization. Negative amortization will increase the amount I owe you and reduce the equity in my home.

**7. PERIODIC STATEMENTS.** If I have an outstanding balance on my account or have any account activity, you will send me a periodic statement at the end of each Billing Cycle. This periodic statement will reflect, among other things, credit advances, finance charges, other charges, payments made, other credits, my previous account balance and my new account balance. The periodic statement will also identify my Minimum Payment for the cycle and the date it is due (Payment Date).

Michael C. Kovera  
Consumer Open-End Agreement  
IN/4XXdebbie00084600006243053092608N

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Page 17

**8. CHANGING THE TERMS OF THIS AGREEMENT.** Generally, the terms of this Agreement cannot be changed. I do, however, agree to the changes listed here.

- A. You may make changes that I agree to in writing.
- B. You may make changes that unequivocally benefit me.
- C. You may make changes to insignificant terms of this Agreement.
- D. You may change the Index and margin if the original Index becomes unavailable. Any new index must have a historical movement similar to the original, and together with the margin, produce a similar interest rate.

I also agree to the additional changes you may make as described elsewhere in this Agreement. You will send any notice of a change in terms to my address listed in this Agreement. I agree to inform you of any change in my address.

**9. SECURITY.** The Line of Credit is secured by separate security instruments prepared together with this Agreement as follows:

See Exhibit "A" attached hereto and made a part hereof by reference

Document Name	Parties to Document
Assignment Of Life Insurance Policy - LF-2553-8202	Michael C. Kovera
Mortgage - 3521 Ridge Rd., Highland, IN 8905 Kennedy Ave., Highland, IN 428 Arbogast, Griffith, IN 5708 S. Northcote Ave., Hammond, IN	Michael C. Kovera , Pamala E. Kovera

**10. DEFAULT.** I will be in default if any of the following occur:

- A. **Fraud.** I engage in fraud or material misrepresentation in connection with the Line of Credit.
- B. **Payments.** I fail to make a payment as required by this Agreement.
- C. **Property.** My action or inaction adversely affects the Property or your rights in the Property.

**11. SUSPENSION OF CREDIT AND REDUCTION OF CREDIT LIMIT.** You may temporarily prohibit me from obtaining additional advances or reduce my Credit Limit during any period in which any of the following are in effect:

- A. The value of the Property securing this Line of Credit declines significantly below its appraised value for purposes of this Line of Credit;
- B. You reasonably believe that I will not be able to meet the repayment requirements under my Line of Credit due to a material change in my financial circumstances;
- C. I am in default of a material obligation under this Line of Credit. I understand, that you consider all of my obligations to be material. Categories of obligations that you consider material include, but are not limited to: my obligation to not commit fraud or misrepresentation in connection with this Line of Credit; my obligation to meet the repayment terms of this Line of Credit; my obligation to not adversely affect the Property or your rights in the Property; my obligation to fulfill the terms of the instrument securing this Agreement, and any other security instruments on the Property; my obligation to notify you; and my obligation to provide you with information;
- D. Government action prevents you from imposing the annual percentage rate provided for in this Agreement;
- E. The priority of your security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of my Credit Limit;
- F. You are notified by a regulatory agency that continued advances constitute an unsafe and unsound practice;
- G. The maximum annual percentage rate allowed under this Agreement is reached; or
- H. Any one of us requests a suspension of credit privileges.

In order to reinstate my credit privileges under the original terms of this Agreement, I must send you a written request to that effect. My credit privileges will only be reinstated if you determine that the condition which caused you to prohibit additional extensions and/or reduce the Credit Limit no longer exists. If appraisal or credit report fees are incurred in making this determination, you may (if allowed by applicable law) charge me such fees. If credit privileges were suspended at my request, they need not be reinstated unless all Borrowers request reinstatement.

**12. WAIVERS AND CONSENT.** To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

**A. Additional Waivers By Borrower.** In addition, I, and any party to this Agreement and Line of Credit, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Agreement.

- (1) You may renew or extend payments on this Agreement, regardless of the number of such renewals or extensions.
- (2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.
- (3) You may release, substitute or impair any Property securing this Agreement.
- (4) You, or any institution participating in this Agreement, may invoke your right of set-off.
- (5) You may enter into any sales, repurchases or participations of this Agreement to any person in any amounts and I waive notice of such sales, repurchases or participations.
- (6) I agree that any of us signing this Agreement as a Borrower is authorized to modify the terms of this Agreement or any instrument securing, guarantying or relating to this Agreement.
- (7) I give up any rights I may have under any valuation and appraisal laws which apply to me.

**B. No Waiver By Lender.** Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Agreement, or other Line of Credit documents, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

**13. REMEDIES.** After I default, and after you give any legally required notice and opportunity to cure the default, you may at your option do any one or more of the following.

- A. **Termination & Acceleration.** You may terminate this Line of Credit and make all or any part of the amount owing by the terms of this Agreement immediately due.
- B. **Advances.** You may temporarily or permanently prohibit any additional advances.
- C. **Credit Limit.** You may temporarily or permanently reduce the Credit Limit.
- D. **Additional Security.** You may demand security, additional security, or additional parties to be obligated to pay this Agreement.
- E. **Sources.** You may use any and all remedies you have under state or federal law or in any instrument securing this Agreement.

**F. Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.

**G. Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the balance owing under the terms of this Agreement, and accrue interest at the highest post-maturity interest rate.

**H. Attachment.** You may attach or garnish my wages or earnings after entry of judgment on the Line of Credit.

**I. Set-Off.** You may use the right of set-off. This means you may set-off any amount due and payable under the terms of this Agreement against any right I have to receive money from you.

My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of this Agreement" means the total amount to which you are entitled to demand payment under the terms of this Agreement at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay this Agreement, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement.

Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set-off against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

**J. Waiver.** Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

**14. TERMINATION OF ACCOUNT.** I may terminate this Line of Credit and cancel this Agreement at any time upon written notice to you. Notice of termination will be sent to Griffith Savings Bank, 510 N. Broad St., Griffith, IN 46319. If you terminate this Line of Credit as provided for in this Agreement, you will send me notice of termination at my last address known to you. Termination will not affect my obligation to repay advances made prior to the termination, nor will it alter my duties to perform under the terms of an instrument securing this Agreement until such instrument is released. Upon termination, I will return to you remaining GSB Advantage Loan check checks in my possession.

**15. COLLECTION EXPENSES AND ATTORNEYS' FEES.** On or after Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Agreement. Expenses include, but are not limited to, reasonable attorneys' fees after default and referral to an attorney not your salaried employee. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Agreement. All fees and expenses will be secured by the Property I have granted to you, if any. In addition, to the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees incurred by you to protect your rights and interests in connection with any bankruptcy proceedings initiated by or against me.

**16. WARRANTIES AND REPRESENTATIONS.** I have the right and authority to enter into this Agreement. The execution and delivery of this Agreement will not violate any agreement governing me or to which I am a party.

**17. INSURANCE.** I agree to obtain the insurance described in this Agreement.

**A. Property Insurance.** I will insure or retain insurance coverage on the Property and abide by the insurance requirements of any security instrument securing the Line of Credit.

**B. Insurance Warranties.** I agree to purchase any insurance coverages that are required, in the amounts you require, as described in this or any other documents I sign for the Line of Credit. I will provide you with continuing proof of coverage. I will buy or provide insurance from a firm licensed to do business in the State where the Property is located. If I buy or provide the insurance from someone other than you, the firm will be reasonably acceptable to you. I will have the insurance company name you as loss payee on any insurance policy. You will apply the insurance proceeds toward what I owe you on the outstanding balance. I agree that if the insurance proceeds do not cover the amounts I still owe you, I will pay the difference. I will keep the insurance until all debts secured by this agreement are paid. If I want to buy the insurance from you, I have signed a separate statement agreeing to this purchase.

**18. COMMISSIONS.** I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may earn such fees on other services that I buy through you or your affiliate.

**19. APPLICABLE LAW.** This Agreement is governed by the laws of Indiana, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

**A. Uniform Consumer Credit Code Applies.** I agree that this Line of Credit is subject to Sections 24-4.5-1-101 through 24-4.5-6-204 of the Indiana Uniform Consumer Credit Code, as amended (including Section 24-4.5-3-508).

**20. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** My obligation to pay the Line of Credit is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on the Line of Credit, or any number of us together, to collect the Line of Credit. Extending the Line of Credit or new obligations under the Line of Credit, will not affect my duty under the Line of Credit and I will still be obligated to pay the Line of Credit. The duties and benefits of the Line of Credit will bind and benefit the successors and assigns of you and me.

**21. INTEGRATION AND SEVERABILITY.** This Agreement is the complete and final expression of the agreement. If any provision of this Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

**22. INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Agreement.

**23. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Borrower will be deemed to be notice to all Borrowers. I will inform you in writing of any change in my name, address or other application information. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Line of Credit and to confirm your lien status on any Property. Time is of the essence.

**24. CREDIT INFORMATION.** I agree to supply you with whatever information you reasonably feel you need to decide whether to continue this Line of Credit. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.

**25. SIGNATURES.** By signing, I agree to the terms contained in this Agreement. I also acknowledge receipt of a copy of this Agreement.

BORROWER: M. C. Kovera  
Michael C. Kovera  
Individually  
Pamala E. Kovera  
Pamala E. Kovera  
Individually

**MY BILLING RIGHTS  
KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about my rights and your responsibilities under the Fair Credit Billing Act.

**Notify You In Case of Errors or Questions About My Bill**

If I think my bill is wrong, or if I need more information about a transaction on my bill, I will write you at the address listed on my bill. I will write to you as soon as possible. You must hear from me no later than 60 days after you sent me the first bill on which the error or problem appeared. I can telephone you, but doing so will not preserve my rights.

In my letter, I will give you the following information:

- My name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if I can, why I believe there is an error. If I need more information, I will describe the item I am not sure about.

**My Rights and Your Responsibilities  
After You Receive My Written Notice**

You must acknowledge my letter within 30 days, unless you have corrected the error by then. Within 90 days, you must either correct the error or explain why you believe the bill was correct.

After you receive my letter, you cannot try to collect any amount I question, or report me as delinquent. You can continue to bill me for the amount I question, including finance charges, and you can apply any unpaid amount against my credit limit. I do not have to pay any questioned amount while you are investigating, but I am still obligated to pay the parts of my bill that are not in question.

If you find that you made a mistake on my bill, I will not have to pay any finance charges related to any questioned amount. If you didn't make a mistake, I may have to pay finance charges, and I will have to make up any missed payments on the questioned amount. In either case, you will send me a statement of the amount I owe and the date that it is due.

If I fail to pay the amount that you think I owe, you may report me as delinquent. However, if your explanation does not satisfy me and I write to you within ten days telling you that I still refuse to pay, you must tell anyone you report me to that I have a question about my bill. And, you must tell me the name of anyone you reported me to. You must tell anyone you report me to that the matter has been settled between us when it finally is.

If you don't follow these rules, you can't collect the first \$50 of the questioned amount, even if my bill was correct.

