

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2010 074947

2010 DEC 17 PM 2:52

MICHAEL J. CANN  
RECORDER

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### MORTGAGE

THIS MORTGAGE ("Security Instrument") is made between the grantor **RK Home Solutions, Inc.** (Borrower, Obligor) and the grantee, **Michael Kubacki**

("Obligee") whose address is **354 Canterbury Griffith, IN 46319**

Obligor has executed a certain agreement dated **10/20/2010** ("Agreement") under which Obligor is under an obligation to perform certain acts, promises and/or covenants, which is valued at \$ **25,000.00**.

This Security Instrument secures to Obligee the performance of Obligor's promises, covenants and agreements under this Security Instrument and the Agreement.

WITNESSETH, that in consideration of the premises and in order to secure the performance and observance of all of the provisions hereof and of said Agreement, Mortgagor hereby grants, sells, warrants, conveys, assigns, transfers, mortgages, and sets over unto Mortgagee, all of Mortgagor's estate, right, title and interest in, to and under all that certain real property situate in the County of **Lake**, State of **IN**, more particularly described as

*Lot Numbered 9 in Block 1 as shown on the recorded See Title work for Legal Description Plat of Saylor Manor Recorded in Plat Book 32 Page 9 in the office of the recorder of Lake County Indiana*  
which has the address of **2760 county Line Rd Portage, In**

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."

OBLIGOR COVENANTS that Obligor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Obligor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

OBLIGOR AND OBLIGEE COVENANT AND AGREE AS FOLLOWS:

AMOUNT \$ 22<sup>00</sup>  
CASH  CHARGE \_\_\_\_\_  
CHECK # \_\_\_\_\_  
OVERAGE \_\_\_\_\_  
COPY \_\_\_\_\_  
NON-COM \_\_\_\_\_  
CLERK MS

1. Hazard or Property Insurance. Obligor 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 Obligees requires insurance. This insurance shall be maintained in the amounts and for the periods that Obligees requires. The insurance carrier providing the insurance shall be chosen by Obligor subject to Obligees approval which shall not be unreasonably withheld. If Obligor fails to maintain coverage described above, Obligees may, at Obligees option, obtain coverage to protect Obligees rights in the Property in accordance with this document. All insurance policies and renewals shall be acceptable to Obligees and shall include a standard mortgage clause. Obligees shall have the right to hold the policies and renewals. If Obligees requires, Obligor shall promptly give to Obligees all receipts of paid premiums and renewal notices. In the event of loss, Obligor shall give prompt notice to the insurance carrier and Obligees. Obligees may make proof of loss if not made promptly by Obligor.

Unless Obligees and Obligor 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 Obligees security is not lessened. If the restoration or repair is not economically feasible or Obligees 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 Obligor. If Obligor abandons the Property, or does not answer within 30 days a notice from Obligees that the insurance carrier has offered to settle a claim, then Obligees may collect the insurance proceeds. Obligees 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 30-day period will begin when the notice is given.

2. Preservation, Maintenance and Protection of the Property. Obligor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Obligor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Obligees good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Obligees security interest.

3. Protection of Obligees Rights in the Property. If Obligor fails to perform the covenants and agreements contained in this Security Instrument (under any underlying security agreement which are superior or subordinate to this security instrument), or there is a legal proceeding that may significantly affect Obligees rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Obligees may do and pay for whatever is necessary to protect the value of the Property and Obligees rights in the Property. Obligees 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 Obligees may take action under this paragraph, Obligees does not have to do so.

Any amounts disbursed by Obligees under this paragraph shall become additional debt of Obligor secured by this Security Instrument. Unless Obligor and Obligees agree to other terms of

payment, these amounts shall bear interest from the date of disbursement at the Agreement rate and shall be payable, with interest, upon notice from Obligee to Obligor requesting payment.

4. Inspection. Obligee or its agent may make reasonable entries upon and inspections of the Property. Obligee shall give Obligor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

5. 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 Obligee.

6. 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 Obligee and Obligor, subject to the provisions of this document. Obligor's covenants and agreements shall be joint and several. Any Obligor who co-signs this Security Instrument but does not execute the Agreement: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Obligor'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 Obligee and any other Obligor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Agreement without that Obligor's consent.

7. Notices. Any notice to Obligor provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Obligor designates by notice to Obligee. Any notice to Obligee shall be given by first class mail to Obligee's address stated herein or any other address Obligee designates by notice to Obligor. Any notice provided for in this Security Instrument shall be deemed to have been given to Obligor or Obligee when given as provided in this paragraph.

8. Governing Law; Severability. This Security Instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Agreement which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Agreement are declared to be severable.

9. Transfer of the Property or a Beneficial Interest in Obligor. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Obligor is sold or transferred and Obligor is not a natural person) without Obligee's prior written consent, Obligee may, at its option, require immediate performance of the agreement secured by this Security Instrument. However, this option shall not be exercised by Obligee if exercise is prohibited by federal law as of the date of this Security Instrument. A "transfer" shall also include, but is not limited to a contract-for-deed, installment land contract, lease of greater than three years, purchase or option agreement which may be executed (including with renewals) in more than

one year, a lease or any term in conjunction or contemporaneous with an option to purchase, a transfer to a trust of any kind of which the Obligor is not the sole beneficiary.

11. Hazardous Substances. Obligor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property Obligor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Obligor shall promptly give Obligee written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Obligor has actual knowledge. If Obligor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Obligor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

12. Acceleration; Remedies. Obligee shall give notice to Obligor prior to acceleration following Obligor's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under this document 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 30 days from the date the notice is given to Obligor, 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 and foreclosure of the Property. If the default is not cured on or before the date specified in the notice, Obligee at its option may require immediate performance of the agreement secured by this Security Instrument without further demand and may commence foreclosure proceedings any other remedies permitted by applicable law. Obligee shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

13. Release. Upon payment of all sums secured by this Security Instrument, Obligee shall release this Security Instrument and shall return to Obligor, duly canceled, all Agreements evidencing debts secured by this Security Instrument. Obligor shall pay any recordation costs.

14. Waiver of Homestead. Obligor waives all right of homestead exemption in the Property

BY SIGNING BELOW, Obligor accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Obligor and recorded with it.

[Signature]  
Grantor/Obligor/Borrower

\_\_\_\_\_  
Grantor/Obligor

On December 16, <sup>20</sup>10, before me, Heather Bowser, a notary public in and for said state personally appeared George Kochis, personally known to me (or proved to me based upon satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged that (s)he/they executed the same in his/her/their signature on the instrument the person(s) or entity on behalf of which they acted, executed the instrument.

Heather Bowser  
Signature of Notary  
My Commission expires 2015

\_\_\_\_\_  
NOTARY SEAL

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."  
PREPARED BY: [Signature]

This document was prepared by  
George Kochis