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Members Source Credit Union  
8580 Virginia Street  
Merrillville, IN 46410



2013 079018

# MORTGAGE

(OPEN END CREDIT – THIS MORTGAGE SECURES FUTURE ADVANCES)

THIS MORTGAGE (“Security Instrument”) is given on 10/10/2013  
The mortgagor is  
MARY A. MICHALS, TRUST

(“Borrower”). This Security Instrument is given to

Members Source Credit Union  
which is organized and existing under the laws of IN  
whose address is  
8580 Virginia St.

Merrillville IN 46410

(“Lender”). Borrower has entered into a  
 (“Agreement”) with Lender

as of the 10 day of October, 2013, under the terms of which  
Borrower may, from time to time obtain advances not to exceed, at any time, an amount equal to the  
Maximum Credit Limit (as defined therein) of  
one hundred thousand and xx / 100

(U.S. \$ 100,000.00 ) (“Maximum Credit Limit”). This Agreement provides for  
monthly payments, with the full debt, if not paid earlier, due and payable on 10/15/2033

This Security Instrument secures to Lender: (a) the repayment of the debt under the Agreement, with  
interest, including future advances and all renewals, extensions and modifications of the Agreement; (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 Agreement. For this purpose, Borrower does hereby mortgage, grant and convey to  
Lender the following described property located in LAKE County,  
Indiana:

See Schedule A for Description

which has the address of  
1738 FIR AVENUE

(Street)

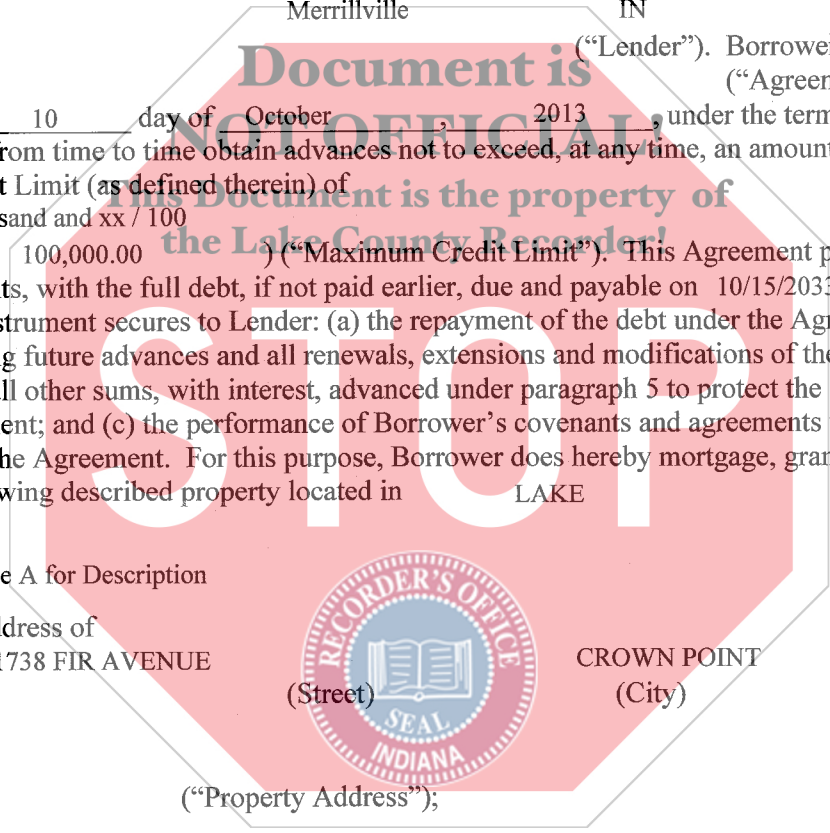
CROWN POINT  
(City)

Indiana

(“Property Address”);

46307

(Zip Code)



STATE OF INDIANA  
LAKE COUNTY  
RECORDED FOR RE  
2013 OCT 24 AM  
MICHAEL B. P...  
RECORDER

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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".

BORROWER CONVENTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant convey the Property and that Property is unencumbered, except for encumbrances of record.

Borrowers and Lender covenant and agree as follows:

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

**2. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. At Lender's request, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph and shall promptly furnish to Lender receipts evidencing the payments.

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 subordination 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.

**3. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazard included with 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.

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 Lenders 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 or does not answer within 30 days a notice from Lender that the Lender that the insurance carrier has offered to settle a claim, then Lender may Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be not extend or postpone the due date or amount of the payments due under the Agreement. 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 secured by this Security Instrument immediately prior to the acquisition.

**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 a 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. 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 law or regulations), then Lender may do and pay for whatever secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's 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 disbursement at the rate chargeable for advances under the Agreement and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**6. 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 of other taking of any part 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.

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

**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 of 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 of 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. Successor 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 is not personally liable under the Agreement: (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 any agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Agreement without that Borrower's consent.

**10. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Agreement or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Agreement.

**11. Notices.** Any notice to Borrower 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 Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to



Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**12. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law 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 provision of the Security Instrument and the Agreement are declared to be severable.

**13. Borrower's Copy.** Borrower shall be given on conformed copy of this Security Instrument.

**14. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the notice is delivered or mailed within which Borrower must pay all sums by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**15. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgement enforcing this Security Instrument. Those conditions are that Borrower: (a) pays lender all sums which then would be due under this Security Instrument and the Agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including but not limited to, reasonable attorney's fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 14.

**16. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower 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 Substance that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim demand, lawsuit or other action by any governmental or regulatory agency or private party involving the party involving the Property and any Hazardous Substance or Environmental law of which Borrower has actual knowledge. If Borrower 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, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used 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 herbicide, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used 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 Agreement 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 30 days 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 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. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, release this Security Instrument without charge to Borrower.

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

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

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

Witnesses:

Mary A. Michals Trust (Seal)  
-Borrower

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

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

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

STATE OF INDIANA, LAKE County ss:

On this 10 day of October 2013, before me, the undersigned, a Notary Public in and for said County, personally appeared MARY A. MICHALS, TRUST, and acknowledge the execution of the foregoing instrument. Witness my hand and official seal.

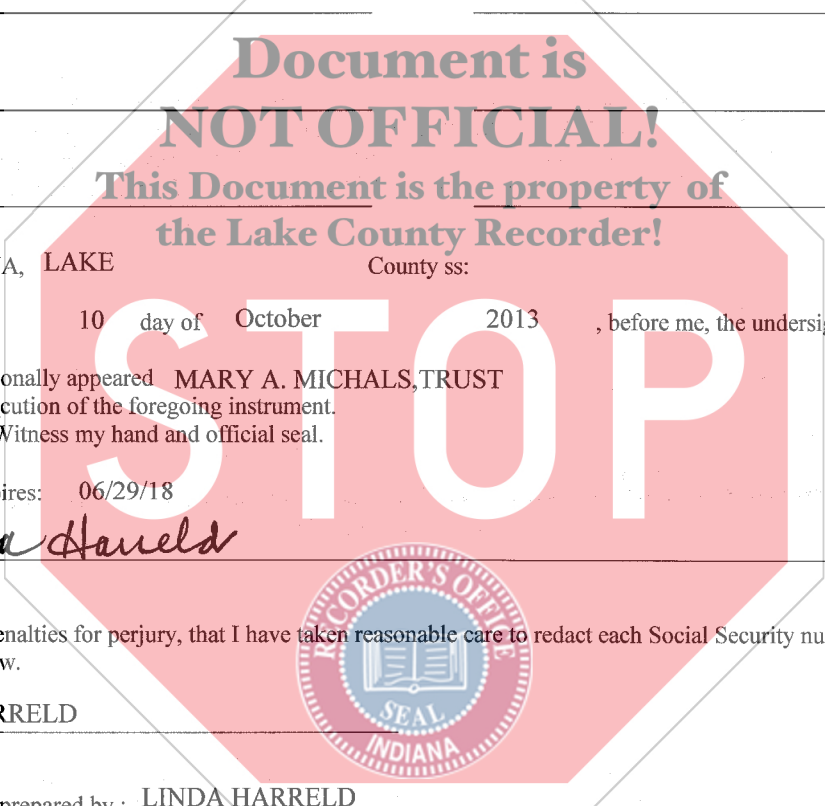
My Commission expires: 06/29/18

Linda Harreld  
Notary Public

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.

By: LINDA HARRELD

This instrument was prepared by: LINDA HARRELD



Members Source Credit Union  
8580 Virginia Street Merrillville, IN 46410  
(219) 756- 4141 FAX (219) 756-4120

**SCHEDULE A**

LOT 149, EXCEPT THE EAST 63.00 FEET THEREOF, IN PRAIRIE  
VIEW, UNIT 3, AN ADDITION TO THE CITY OF CROWN POINT,  
AND AMENDED BY CERTIFICATE OF CORRECTION RECORDED  
NOVEMBER 5, 2001 AS DOCUMENT NO. 2001 089141 AS PER  
PLAT THEREOF, RECORDED IN PLAT BOOK 88 PAGE 59, IN THE  
OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

