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# REAL ESTATE MORTGAGE

This Real Estate Mortgage ("Mortgage") is given on the \_ day of December 2017, by Donna Krumm ("Debtor"), whose address is 7827 State Line Avenue, Munster, IN 46321, to Susan & Dean Stadt ("Creditor"), whose address is 7207 Delaware Avenue, Hammond, IN 46323. Debtor owes Creditor the principal sum of Thirty-Six Thousand Dollars and No Cents (U.S. \$36,000.00).

This debt is evidenced by Debtor's notes or other indebtedness dated of even date with this mortgage, ("Note"), which provides for payment in full on or before the earlier of the sale or the transfer of the real estate listed below or the third anniversary of the Note. This Mortgage secures to Creditor: (a) the repayment of the Note with interest, and all renewals, extensions, and modifications of the Note; (b) the payment of all other sums advanced under this Mortgage, with interest; (c) the performance of Debtor's covenants and agreements under this Mortgage and the Note; and (d) future obligations of Debtor to Creditor, and future advances by Creditor to Debtor, in a total principal amount not to exceed \$50,000.00. For these purposes, Debtor mortgages and warrants to Creditor, and to Creditor's successors and assigns, the following described real estate ("Real Estate") located in Lake County, Indiana:

Lot 27 of Block 7 in the Broadmoor Addition to the Town of Munster, as per plat thereof, recorded in Plat Book 18, Page 8, in the Office of the Recorder, Lake County, Indiana

Commonly known as: 7827 State Line Avenue  
Munster, Indiana 46321

Parcel No.: 45-06-13-301-014.000-027

TOGETHER WITH (a) all improvements, replacements, additions, and fixtures on the Real Estate, and (b) all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights, growing crops, and trees relating to the Real Estate, all of which are referred to collectively as "Additions", in each case as any of them may be made, erected, attached, or acquired in the future. The Real Estate and its Additions are called the "Property".

The address of the Property is 7827 State Line Avenue, Munster, Indiana 46321

COVENANTS OF PARTIES. Debtor and Creditor covenant and agree as follows:

1. DEBTOR'S COVENANTS AND WARRANTIES REGARDING REAL ESTATE. Debtor covenants and warrants to Creditor that, as to the Property existing at the time of the execution of this Mortgage, Debtor is lawfully seized of the estate conveyed by this Mortgage, that Debtor has the right to mortgage and grant the Property, that Debtor has good and marketable title to the Property, and that the Property is unencumbered, except for encumbrances of record, and such other encumbrances described in a notice given by Debtor to Creditor ("Encumbrances"). Debtor warrants and will defend the title to the Property against all claims and demands, subject to the Encumbrances.

2. SECURITY INTEREST IN FIXTURES. Debtor grants Creditor a security interest in any fixtures now or later attached to the Real Estate. Debtor authorizes Creditor, at Debtor's expense and on Debtor's behalf, to execute and file a financing statement or statements in each public office deemed necessary by Creditor to perfect its security interest in such fixtures.

3. PAYMENT OF NOTE. Debtor shall pay, when due, all sums payable under the Note, including (but not being limited to) principal, interest, late charges, and prepayment penalty or premium.

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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2017 DEC 21 AM 9:56

MICHAEL B. BROWN  
RECORDER



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4. **ESCROW FOR TAXES, ASSESSMENTS, AND INSURANCE.** If Debtor initials here \_\_\_\_\_, or if Creditor gives notice under section 4.7, Debtor shall begin, and then continue, to make payments for escrow items as provided in this section 4.

4.1. Debtor shall pay to Creditor, at the same time monthly or periodic payments are due on the Note, a sum estimated by Creditor (based on current data and reasonable estimates of future escrow items) to be sufficient to pay, when due, the following items (called "escrow items"):

4.1.1. Real estate taxes and assessments on the Property; and

4.1.2. Hazard insurance premiums.

4.2. Creditor shall deposit all sums so paid into an account in an institution (which may include Creditor) whose deposits are insured or guaranteed by a federal or state agency. The account shall clearly show that it is an escrow account for Debtor's escrow items. Creditor shall apply the escrow account for the payment of escrow items. If the escrow account is not sufficient, Debtor shall pay to Creditor the deficiency in one or more payments as Creditor may require.

4.3. If the escrow account, together with future payments into it to be made by Debtor, is likely in Creditor's reasonable estimation to exceed 120 percent of the amount needed to pay escrow items when due, the excess in the account shall be promptly either (a) credited to adjust payments for escrow items, or (b) repaid to Debtor, as Debtor may elect.

4.4. Unless Creditor agrees or applicable law requires, Creditor shall not be obligated to pay or credit Debtor with any interest on sums Debtor has paid under this section 4. However, Creditor may deposit sums in the escrow account to earn interest. If interest is so earned, Creditor may retain interest earnings as compensation for administrative expenses incurred in making the deposit, and Debtor shall have no right to such earnings.

4.5. Creditor may not make any additional charges for holding or applying such escrowed sums, for analyzing or verifying an account of them, or for performing any other administrative act in relation to them.

4.6. When all sums secured by this Mortgage have been paid in full, Creditor shall promptly refund to Debtor all sums remaining in Debtor's escrow account. If, however, Creditor exercises a remedy available under this Mortgage for default of Debtor, Creditor need not refund to Debtor, but instead may apply such sums as credit against sums secured by this Mortgage.

4.7. In an Event of Default (as defined in section 17.1) occurs, Creditor may require Debtor to make payment for the escrow items described in section 4. In such event, Creditor shall give at least 15 days notice to Debtor that such payment will be required. The notice shall specify the amount of the payment, and the date the first payment is to be made.

4.8. The remedy provided to Creditor in section 4.7 is not exclusive, and is available to Creditor in addition to the other remedies described in section 17.3.

5. **APPLICATION OF SUMS.** Unless applicable law or other provisions of this Mortgage or the Note provide otherwise, all payments received by Creditor shall be applied in the following order: first, to costs incurred by Creditor as a result of Debtor's default under this Mortgage or the Note; second, to late charges; third, to prepayment premium or charge; fourth, to payments for escrow items pursuant to section 4; fifth, to interest; and last, to principal; in each case, when due.

## 6. **PAYMENT OF PRIOR LIENS.**

6.1. Taxes, assessments, liens (and any obligations secured by them), and other charges, however called, that pertain to the Property and that may attain priority over, or otherwise adversely affect, this Mortgage or its lien are included within the term "Prior Lien". Debtor shall pay and perform all obligations related to each Prior Lien (except a Prior Lien for which Debtor makes payments for escrow items pursuant to section 4) on time and directly to the person owed payment. If requested by Creditor, Debtor shall promptly give Creditor receipts or other evidence of Debtor's payment. Debtor shall promptly give Creditor all notices as to each Prior Lien Debtor receives.

6.2. Debtor need not pay any Prior Lien (or make payments pursuant to section 4 for any Prior Lien) IF, and only IF:

6.2.1. Debtor, in good faith, contests the Prior Lien, or defends against enforcement of it, in legal or equitable proceedings that in Creditor's opinion operate to prevent enforcement of the Prior Lien or any taking of all or part of the Property to the detriment of this Mortgage or its lien;

6.2.2. Debtor obtains from the holder of a Prior Lien a subordination of the Prior Lien to this Mortgage or its lien, all in form and manner satisfactory to Creditor; or

6.2.3. Debtor makes other arrangement(s) to the satisfaction of Creditor.

6.3. If Creditor determines that the Property (or any part of it) is subject to a Prior Lien, Creditor may give Debtor written notice of the Prior Lien, with sufficient detail to enable Debtor to identify it. Within ten days after the giving of notice, Debtor will either pay the Prior Lien or take other action in the manner specified in sections 6.2.1, 6.2.2, or 6.2.3.

## 7. HAZARD INSURANCE.

7.1. Buyer shall keep the Property insured against loss by fire, by hazards included within the term "extended coverage" of policies, and by any other hazards for which Creditor reasonably requires insurance. The policy or policies providing insurance shall be in amounts and for periods that Creditor reasonably requires, shall include a standard mortgage clause, and shall be issued by insurance carrier(s) chosen by Debtor, but approved by Creditor, who shall not unreasonably withhold approval. When Creditor requests in writing, Debtor shall give Creditor (as Creditor may choose) either a certificate of insurance (from the carrier), or the policy itself (or a true copy of it).

7.2. When the Property suffers an insured loss, Debtor shall promptly notify Creditor and timely file proof of loss with the carrier: Creditor also may file proof of loss.

7.3. Unless Creditor and Debtor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property, if restoration or repair is economically feasible, and if Creditor's security is not lessened. If restoration or repair is not economically feasible, or if Creditor's security would be lessened, insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Debtor.

7.4. If Debtor abandons the Property, or if within 30 days after Creditor gives Debtor written notice (mailed to the Property Address) as to the willingness of the insurance carrier to pay or settle a claim, Debtor does not contact Creditor about such claim, Creditor may collect insurance proceeds payable upon such claim. Creditor then may either use such proceeds to restore or repair the Property, or to apply them to the sums secured by this Mortgage, whether or not then due. Creditor shall pay Debtor any excess, by check mailed to the Property Address.

7.5. Unless Creditor and Debtor otherwise agree in writing, application of proceeds to principal shall not extend or postpone the due date of monthly or periodic payments required by this Mortgage or the Note, or change the amount(s) of such payments.

7.6. If Creditor acquires the Property by foreclosure, Creditor also shall acquire Debtor's right to insurance policies and their proceeds, but only to the extent of unpaid sums secured by this Mortgage.

## 8. PRESERVATION AND MAINTENANCE OF PROPERTY.

8.1. Debtor shall:

8.1.1. Not commit waste or permit impairment or deterioration of the Property;

8.1.2. Not abandon the Property;

8.1.3. Restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Creditor may approve in writing, in the event of any damage, injury, or loss to the Property, whether or not insurance proceeds are available to cover the whole or any part of the costs of such restoration or repair;

8.1.4. Keep the Property, including equipment, machinery, and appliances on it, in good repair; and shall replace them when necessary to keep them in good repair; and

8.1.5. Comply with all laws, ordinances, regulations, and requirements of any governmental body applicable to the Property.

8.2. Neither Debtor nor any other person shall remove, demolish, or alter any improvements now existing or subsequently erected on the Real Estate, or any fixture, equipment, machinery, or appliance in or on the Real Estate except when incident to the replacement of fixtures, equipment, machinery, and appliances with items of like kind.

## 9. PROTECTION OF CREDITOR'S RIGHTS IN PROPERTY

9.1. If Debtor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Creditor's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation, or to enforce laws or regulations), then Creditor may do and pay for whatever is necessary to protect the value of the Property and Creditor's rights in the Property, including paying items which are Debtor's obligations under this Mortgage or the Note. Creditor's actions may include paying any sums secured by a Prior Lien, appearing in court, paying reasonable attorneys' fees, paying hazard insurance applicable federal, state, and local environmental laws and regulations including, without limitation, the Indiana Responsible Property Transfer Law (IC 13-7-22.5), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601, *et seq.*), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §1101, *et seq.*), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901, *et seq.*), the Toxic Substance Control Act of 1976 (15 U.S.C. §2601, *et seq.*), and all regulations under them, and any other federal statute, any state statute, and any municipal ordinance creating liability for treatment, storage, disposal, arranging, or existence on the Property of any hazardous or toxic substance, including their constituents ("Environmental Laws").

9.2. Any amount paid or disbursed by Creditor under this section 9 shall become additional debt of Debtor secured by this Mortgage. Unless Debtor and Creditor agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate, and shall be payable, with interest, upon notice from Creditor to Debtor requesting payment.

10. **INSPECTION.** Creditor or its agent shall have the right to inspect the Property at all reasonable times. Creditor shall give Debtor notice at the time of, or prior to, an inspection specifying reasonable cause for the inspection.

11. **CONDEMNATION.** In the event that the Property or any part of it shall be condemned and taken under power of eminent domain, the proceeds of any award or claim for damages shall be assigned by Debtor to Creditor, and shall be paid to Creditor. Such amount shall be credited on the sums then secured by this Mortgage, and the balance, if any, shall be paid to Debtor.

12. **SUCCESSORS AND ASSIGNS BOUND.** All terms of this Mortgage and the Note shall be jointly and severally binding upon Debtor and upon each and all of Debtor's successors in ownership of the Property, as well as upon all heirs and legal representatives of Debtor.

13. **ENVIRONMENTAL REPRESENTATIONS, WARRANTIES, AND COVENANTS OF DEBTOR.** Debtor makes the following representations, warranties, and covenants to Creditor:

13.1. To the best knowledge of Debtor, Debtor and Debtor's predecessors in title have complied at all times with all applicable federal, state, and local environmental laws and regulations including, without limitation, the Indiana Responsible Property Transfer Law (IC 13-7-22.5), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601, *et seq.*), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §1101, *et seq.*), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901, *et seq.*), the Toxic Substance Control Act of 1976 (15 U.S.C. §2601, *et seq.*), and all regulations under them, and any other federal statute, any state statute, and any municipal ordinance creating liability for treatment, storage, disposal, arranging, or existence on the Property of any hazardous or toxic substance, including their constituents ("environmental Laws").

13.2. To the best knowledge of Debtor, there do not currently exist, and Debtor warrants there will not exist during the term of this Mortgage, (a) any actual or potential contamination of the soil, subsoil, groundwater, or any other portion of the Property by any hazardous or toxic substance or their constituents, or (b) any underground tanks on the Real Estate (other than for the use of motor fuel or heating oil for use and consumption of Debtor on the Real Estate), as such words and phrases are defined under applicable Environmental Laws.

13.3. Debtor covenants to comply at all times during the term of this Mortgage with all Environmental Laws.

13.4. To the best knowledge of Debtor, no environmental filings have been made concerning the Property with any governmental agency.

13.5. Debtor indemnifies Creditor against, and holds Creditor harmless from, any claim, action, loss, damage, liability, cost, or expense (including all reasonable attorneys' fees and environmental testing expenses) Creditor incurs as a result of Debtor's breach of any representation, warranty, or covenant made in this section 13.

14. **NOTICES.**

14.1. Any notice, designation, consent, approval, offer, acceptance, statement, request, or other communication required or allowed under this Mortgage ("Notice") shall be in writing, and shall be given to a party at the address stated in this Mortgage, or at such other address as a party may designate in a Notice to the other party.

14.2. Notice shall be deemed given when:

14.2.1. Personal service of the Notice is made on the party to be notified (but the party need not be at the address designated under section 14.1);

14.2.2. The Notice is mailed to the party to be notified by means of first class U.S. mail, postage prepaid; or

14.2.3. The Notice is sent to the party to be notified by express courier such as "Federal Express", "Purolator", or such other similar carrier guaranteeing next day delivery.

14.3. Refusal by a party to accept a Notice shall not affect the giving of the Notice.

15. **SEVERABILITY** A conflict of any provision in this Mortgage or in the Note with applicable law shall not affect other provisions which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

16. **TRANSFER OF THE PROPERTY.** If all or any part of the Property or any interest in it is sold or transferred without Creditor's prior written consent, Creditor may, at its option, require immediate payment in full of all sums secured by this Mortgage.

17. **EVENT OF DEFAULT; ACCELERATION; REMEDIES; REINSTATEMENT RIGHTS.**

17.1. **Event of Default.** For the purposes of this Mortgage, the term "Event of Default" shall mean any of the following:

17.1.1. The making by Debtor of any false or inaccurate representation in this Mortgage, the Note, or any document related to them;

17.1.2. Debtor's breach of any warranty made in this Mortgage; or

17.1.3. Debtor's failure to observe or comply with any provision or covenant in this Mortgage, the Note, or any document related to them.

17.2. **Notice of Default.** Creditor shall give Notice to Debtor prior to acceleration following an Event of Default (but not prior to acceleration under section 16 unless applicable law provides otherwise). The Notice shall specify:



17.2.1. The Event of Default;

17.2.2. The action required to cure the Event of Default;

17.2.3. A date, not less than 15 days from the date the Notice is given to Debtor, by which the Event of Default must be cured; and

17.2.4. That failure to cure the Event of Default on or before the date specified in the Notice may result in acceleration of the sums secured by this Mortgage and foreclosure of this Mortgage by judicial proceedings.

17.3. **Acceleration; Remedies.** If an Event of Default is not cured on or before the date specified in the Notice, Creditor at its option, shall have the following remedies, which are cumulative and are not mutually exclusive:

17.3.1. May require immediate payment in full of all sums secured by this Mortgage;

17.3.2. May foreclose this Mortgage by judicial proceedings;

17.3.3. May collect all costs incurred in pursuing any remedies including, but not limited to, reasonable attorneys' fees, costs of title evidence and survey, and expenses for environmental testing (which testing Creditor reasonably believes is necessary to protect Creditor's interest in the Property); and

17.3.4. May require payment of escrow items as provided in section 4.7.

17.4. **Joint Liability.** If Debtor consists of more than one person, each person who is a party shall be jointly and severally liable for Events of Default.

17.5. **Debtor's Right to Reinstate.** Debtor shall have the right to reinstate this Mortgage after an Event of Default at any time prior to the entry of judgment upon satisfaction of the following requirements.

17.5.1. Debtor pays Creditor all sums due and owing pursuant to this Mortgage or the Note, had acceleration not occurred;

17.5.2. Debtor cures any default of any other covenants or agreements related to the Property; and

17.5.3. Debtor pays all costs incurred in enforcing this Mortgage.

18. **DEBTOR NOT RELEASED; FORBEARANCE BY CREDITOR NOT A WAIVER.** Any forbearance by Creditor in exercising any right or remedy under this Mortgage or the Note shall not be a waiver, or preclude the exercise, or any right or remedy.

19. **CREDITOR IN POSSESSION; RECEIVERSHIP.** If Creditor accelerates pursuant to section 17, or Debtor abandons the Property, Creditor also shall be entitled to take possession of the Property, and to have a receiver appointed to enter upon, take possession of, and manage the Property, and to collect the rents and profits of the Property (including those past due). Any rents collected by Creditor or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds, and reasonable attorney's fees, and then to the sums secured by this Mortgage.

20. **RELEASE.** Upon payment of all sums secured by this Mortgage, Creditor shall release this Mortgage without charge to Debtor (except for recording fees, which shall be Debtor's expense).

21. **WAIVER OF VALUATION AND APPRAISEMENT.** Debtor waives all right of valuation and appraisal laws.

22. **AUTHORITY TO SIGN.** Each person signing this Mortgage in a representative capacity on behalf of Debtor warrants and represents to Creditor that:

22.1. The person so signing this Mortgage has the actual authority and power to so sign, and to bind Debtor to this Mortgage; and

22.2. All corporate action necessary for the making of this Mortgage has been duly taken.

23. MISCELLANEOUS.

23.1 **Governing Law.** This Mortgage shall be governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the State of Indiana.

23.2 **Headings.** Section headings are included solely for convenience, and in no event shall affect or be used in connection with the interpretation of this Mortgage.

23.3 **Time of Essence.** Time is of the essence in this Mortgage.

23.4 **Computation of Time.** In computing a time period prescribed in this Mortgage, the day of the act or event shall not be counted. All subsequent days, including intervening weekend days and holidays, shall be counted in the period. The last day of the period so computed is to be included unless it is a weekend day or a legal holiday under Indiana Law, in which case the period is to be extended to the next day that is not a weekend day or a legal holiday.

24. ADDITIONAL COVENANTS.

A. This mortgage secures payments of the Debtor as the maker of the Promissory Note(s) hereunder detailed or the payments of Personal Guaranty (ies) of the indebtedness hereunder detailed, as the case may be, when the same shall become due, of the following indebtedness of even date herewith:

**Promissory Note in the amount of \$36,000.00 dated on the same date as this mortgage, with interest at the rate of 3.00% percent per annum during such period when there shall be no delinquency or default in the payment of any moneys to be paid on this obligation but with interest at the rate of 18.00% per annum computed monthly during such period when there shall be any delinquency or default in the payment of any moneys to be paid on this obligation and to be computed to the next interest period following such delinquency or default, and said rate shall continue to be paid until all delinquencies and defaults are removed by the beginning of a succeeding interest period, all without relief from Valuation and Appraisement Laws, and with attorney's fees;**

B. Also securing any renewal or extension of such indebtedness;

C. Also securing all future advances to the full amount of this mortgage;

D. Also securing all indebtedness or liabilities incurred by the holder hereof for the protection of this security or for the collection of this mortgage, including but not limited to, reasonable attorney fees.

BY SIGNING BELOW, Debtor accepts and agrees to the terms and covenants contained in this Mortgage and in any rider(s) executed by Debtor and recorded with it, and Debtor acknowledges receipt of a conformed copy of this Mortgage.

**DEBTOR**  
**Donna Krumm**

*Donna Krumm*  
Donna Krumm

STATE OF <sup>Illinois</sup> INDIANA )  
                  <sup>Cook</sup> ) SS:  
COUNTY OF LAKE )

On this 21 day of <sup>Dec</sup> ~~June~~ 2017, before me, the undersigned, is Notary Public in and for said County and State, personally appeared **DONNA KRUMM**, who acknowledged execution of the foregoing Mortgage as her free and voluntary act as Debtor.

Witness my hand and official seal.

My Commission Expires:  
08/12/2018

Resident of COOK <sup>Illinois</sup> County, ~~Indiana~~.



*Andrea Arnold*  
(Signature of Notary Public)  
Andrea Arnold  
(Printed/Typed Name Notary Public)

This instrument prepared by: Stephen J. Sullivan, Attorney at Law, Attorney No. 22130-52