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LAWYERS TITLE INS. CORP. 41891  
7095 BROADWAY  
MERRILLVILLE, IN 46410  
MORTGAGE

This form is used in connection with mortgages insured under the one- to four-family provisions of the National Housing Act.

THIS MORTGAGE, made the 28th day of May 1986, between DAVID M RICHARDS, AND DAPHNE G RICHARDS, HIS WIFE

of the TOWN OF MERRILLVILLE in the County of LAKE, and State of Indiana (hereinafter with Their heirs, executors, administrators, and assigns called the mortgagor), and MARGARETTEN & COMPANY, INC., a corporation organized and existing under the laws of the State of New Jersey and authorized to do business in the State of Indiana (hereinafter with its successors and assigns called the mortgagee),

WITNESSETH: That whereas the mortgagor is justly indebted to the mortgagee for money borrowed in the principal sum of Thirty-Eight Thousand, Nine Hundred Twenty-Five and 00/100 Dollars (\$ 38,925.00), as evidenced by a certain promissory note of even date herewith, the terms of which are incorporated herein by reference, with interest from date at the rate of Ten Per Centum

per centum ( 10 %), per annum on the unpaid balance until paid, the said principal and interest to be payable at the office of MARGARETTEN & COMPANY, INC., 280 Maple Street, in Perth Amboy NJ 08862, or at such other place as the holder may designate in writing, in monthly installments of Three Hundred Forty-One and 76/100

Dollars (\$ 341.76), commencing of the first day of July 1986, and of the first day of each month thereafter until the principal and interest are fully paid, except that the final payment of the entire indebtedness evidenced thereby, if not sooner paid, shall be due and payable on the first day of June 2016

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the mortgagor, in consideration of the premises, and for the purpose of securing the payment of the money aforesaid and interest thereon according to the tenor and effect of the said promissory note, above mentioned, and also to secure the faithful performance of all the covenants, conditions, stipulations and agreements herein contained, does by these presents, mortgage and warrant unto the mortgagee, all the following described lands and premises, situated and being in the TOWN OF MERRILLVILLE in the County of LAKE and State of Indiana, to wit:

LOT 14, BLOCK 1, SANTRY'S MANOR, A SUBDIVISION TO GARY, AS SHOWN IN PLAT BOOK 31, PAGE 89, LAKE COUNTY, INDIANA.

STATE OF INDIANA  
LAKE COUNTY  
FILED IN RECORDS  
JUN 4 9 05 AM '96  
RUDOLPH CLAY  
RECORDER

including all buildings and improvements thereon (or that may hereafter be erected thereon); together with the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise now or hereafter appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all plumbing, heating and lighting fixtures, and equipment now or hereafter attached to or used in connection with said premises,

AND THE MORTGAGOR FURTHER COVENANTS AS FOLLOWS:

1. That he will pay the indebtedness as provided in said note and this mortgage; and that he is the owner of said premises in fee simple. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.

2. That, in order more fully to protect the security of this mortgage, he will pay to the mortgagee, together with, and in addition to, the monthly payments under the terms of the note secured hereby, on the first day of each month until the said note is fully paid, the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development, as follows:

- (I) If and so long as said note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one (1) month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development, pursuant to the National Housing Act, as amended, and applicable Regulations thereunder; or
- (II) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the note computed without taking into account delinquencies or prepayments;

*[Handwritten signature]*  
1000

- (b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the mortgagee) less all sums already paid therefore divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments; and
- (c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the mortgagor each month in a single payment to be applied by the mortgagee to the following items in the order set forth:
- (I) premium charge under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), as the case may be;
  - (II) ground rents, taxes, special assessments, fire and other hazard insurance premiums;
  - (III) interest on the note secured hereby; and
  - (IV) amortization of the principal of said note.

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage deed. In the event that any payment shall become overdue for a period in excess of fifteen (15) days, the mortgagor agrees to pay a "late charge" of four cents (4¢) for each dollar (\$1) so overdue, for the purpose of defraying the expense incident to handling the delinquent payment.

3. That if the total of the payments made by the mortgagor under (b) of paragraph 2 preceding shall exceed the amount of payments actually made by the mortgagee for ground rents, taxes or assessments or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the mortgagor, shall be credited on subsequent payments to be made by the mortgagor, or refunded to the mortgagor. If, however, the monthly payments made by the mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes and assessments and insurance premiums, as the case may be, when the same shall become due and payable, then the mortgagor shall pay to the mortgagee any amount necessary to make up the deficiency on or before the date when payment of such ground rents, taxes, assessments or insurance premiums shall be due. If at any time the mortgagor shall tender to the mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the mortgagee shall, in computing the amount of such indebtedness, credit to the account of the mortgagor all payments made under the provisions of (a) of paragraph 2 hereof which the mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of (b) or paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the mortgagee acquires the property otherwise after default, the mortgagee shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding as a credit against the amount of principal then remaining unpaid under said note, and shall properly adjust any payments which shall have been made under (a) of said paragraph.

4. That he will pay all taxes, assessments, water rates and other governmental or municipal charges, fines or impositions, for which provision has not been made hereinbefore, and in default thereof the mortgagee may pay the same; and that he will promptly deliver the official receipts therefor to the said mortgagee.

5. That he will take reasonable care of the mortgaged premises, and the buildings thereon, and will maintain the same in as good repair and condition as at the original date of this mortgage, ordinary depreciation excepted; and that he will commit or permit no waste, and do no act which would unduly impair or depreciate the value of the property as security.

6. That he will keep the improvements now existing or hereafter erected on the mortgaged property, insured as may be required from time to time by the mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by mortgagee, and will pay promptly, when due, any premiums on such insurance for payment of which provision has not been made hereinbefore. All insurance shall be carried in companies approved by mortgagee and the policies and renewals thereof shall be held by mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee. In event of loss mortgagor will give immediate notice by mail to mortgagee, and mortgagee may make proof of loss if not made promptly by mortgagor, and each insurance company concerned is hereby authorized and directed to make payments for such loss directly to mortgagee instead of to mortgagor and mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

7. That in case proceedings to foreclose this mortgage are instituted, any sums necessarily expended for the continuation of the abstract of title to the above-described real estate, together with interest thereon at the rate set forth in the note secured hereby, shall become a part of the debt secured by this mortgage and shall be collectible as such.

8. That if default be made in the payment of any of the installments provided for in paragraph 2 hereof for taxes, assessments, fire and other hazard insurance, and mortgage insurance, or in the event of the failure of the mortgagor to keep the buildings on said premises and those to be erected on said premises, or improvements thereon, in good repair, said mortgagee may pay such taxes, assessments, mortgage and hazard insurance, make such repairs as in its discretion it may deem necessary properly to preserve the property and any sums so paid shall be a further lien on such premises under this mortgage, payable forthwith, with interest at the rate set forth in the note secured hereby until paid.

9. That should the proceeds of the loan made by the mortgagee to the mortgagor, the repayment which is hereby secured, or any part thereof, or any amount paid out or advanced by the mortgagee, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon said premises above described, or any part thereof, then the mortgagee shall be subrogated to any additional security held by the holder of such lien or encumbrance.

10. That should any default be made in the payment of the installments provided for in paragraph 2 hereof, or in the performance of any other covenant in this mortgage or in the note secured hereby, when the same is payable or the time of performance has arrived, as above provided, then all the remainder of the aforesaid principal sums with all arrearages of interest, and sums payable pursuant to the provisions hereof, shall, at the option of said mortgagee, become immediately payable, and the mortgagee shall have the right to foreclose this mortgage, anything hereinbefore or in said note contained to the contrary notwithstanding, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time.

11. That should proceedings to foreclose this mortgage be instituted, the mortgagee may apply for the appointment of a receiver (and the mortgagor hereby consents to the appointment of a receiver if there has been any default in the performance of any of the conditions of this mortgage), and such receiver is hereby authorized to take possession of the real estate above described, collect any rental, accrued or to accrue, whether in money or kind, for the use or occupancy of said premises by any

person, firm or corporation, or may let or lease said premises or any part thereof, receive the rents, income and profits therefrom, and hold the proceeds subject to the orders of the court, or the judge thereof, for the benefit of the mortgagee, pending the final decree in said proceedings, and during any period allowed by law for the redemption from any sale ordered in said cause, and said receiver may be appointed irrespective of the value of the mortgaged property or its adequacy to secure or discharge the indebtedness due or to become due or the solvency of the mortgagors. In the event of a default in any of the conditions of this mortgage the mortgagee is also expressly given the right to take possession of and hold the mortgaged premises with or without process of law and collect the rents and profits therefrom, applying the same to the charges and payments due under the conditions of the mortgage so long as a default shall continue, and such taking possession shall in no way waive the right of the mortgagee to foreclose this mortgage because of a default.

12. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this mortgage, and the note secured hereby remaining unpaid, are hereby assigned by the mortgagor to the mortgagee and shall be paid forthwith to the mortgagee to be applied by it on account of the indebtedness secured hereby, whether due or not.

13. No sale of the premises hereby mortgaged and no forbearance on the part of the mortgagee or its assigns and no extension of the time for the payment of the debt hereby secured given by the mortgagee or its assigns shall operate to release, discharge, modify, change or affect the original liability of the mortgagor herein either in whole or in part.

14. That any person, firm or corporation taking a junior mortgage, or other lien, upon said real estate, shall take the said lien subject to the rights of the mortgagee herein to extend the maturity of the indebtedness hereby secured without obtaining the consent of the holder of said junior lien and without the lien of this mortgage losing its priority over any such junior lien.

15. That in the event the property pledged by this instrument is sold under foreclosure and the proceeds are insufficient to pay the total indebtedness evidenced and secured by this instrument the mortgagee will be entitled to a deficiency judgment.

16. The mortgagor further agrees that should this mortgage and the note secured hereby not be eligible for insurance under the National Housing Act within sixty (60) days from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the sixty (60) days time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility), the mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable.

It is specifically agreed that time is of the essence of this contract and that the waiver of any options, or obligations secured hereby, shall not at any time thereafter be held to be an abandonment of such rights. Notice of the exercise of any option granted to the mortgagee herein, or in the note secured hereby, is not required to be given. All sums payable herein shall be without relief from valuation and appraisal laws and with reasonable attorney's fees.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, The said mortgagor has hereunto set their hand and seal

this 28th day of May

19 86

David M. Richards (SEAL) - Borrower  
DAPHNE G RICHARDS (SEAL) - Borrower

FHA MORTGAGE RIDER ATTACHED HERETO AND MADE A PART HEREOF

(SEAL) - Borrower  
(SEAL) - Borrower

The form of this instrument was prepared by the Office of the General Counsel of the Department of Housing and Urban Development, and the material in the blank spaces in the form was inserted by or under the direction of

MARGARETTEN & COMPANY INC  
950 WEST 175TH ST

HOMewood ILLINOIS 60430

STATE OF INDIANA

COUNTY OF LAKE

ss:

Before me, the undersigned, PAULA BARRICK, an official day  
of LAKE County of the State of Indiana, on this 28th day  
of May, 19 86, personally appeared  
DAVID M RICHARDS, AND DAPHNE G RICHARDS, HIS WIFE

and acknowledged the execution of the foregoing mortgage.  
Witness my hand and official seal the day and year last above written.

Paula Barrick (Official title) NOTARY PUBLIC

My commission expires 10-2-89

Received for record this day of at O'clock M., and recorded  
in Mortgage Record at pages of the records of County, Indiana.

Recorder of

County, Indiana.

STATE: INDIANA

FHA# : 151:2603085=748

FILE# : 63860175

" FHA MORTGAGE RIDER "

+  
This Rider to the Mortgage between DAVID M. RICHARDS AND DAPHNE G. RICHARDS.

and MARGARETTEN & COMPANY, INC. dated MAY 28,

19 86 is deemed to amend and supplement the Mortgage of same date as follows:

AND SAID MORTGAGOR covenants and agrees:

1. In paragraph 1, the sentence which reads as follows is deleted:

" Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment."

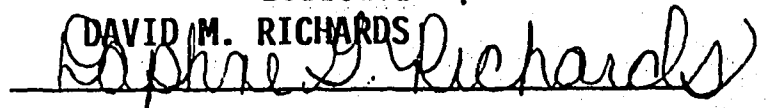
2. Paragraph 1 is amended by the addition of the following:

" Privilege is reserved to pay the debt, in whole or in part, on any installment due date. "



-Borrower

DAVID M. RICHARDS



-Borrower

DAPHNE G. RICHARDS

INDIANA

FHA MORTGAGE RIDER

This Rider, dated the 28 day of MAY, 19 86, amends the MORTGAGE of even date by and between DAVID M. RICHARDS AND DAPHNE G. RICHARDS, the MORTGAGOR and MARGARETTEN AND COMPANY INC., the MORTGAGEE, as follows:

1. Subsection (a) of Paragraph 2 is deleted.
2. Subsection (c) (I) of Paragraph 2 is deleted.
3. In the third sentence of Paragraph 3, the words "all payments made under the provisions of (a) of paragraph 2 hereof which the MORTGAGEE has not become obligated to pay to the Secretary of Housing and Urban Development and" are deleted.
4. The fourth sentence of Paragraph 3 is amended by insertion of a period after". . . then remaining unpaid under said NOTE" and deletion of the remainder of the sentence.
5. Paragraph 16 is amended by the addition of the following:

"This option may not be exercised when the ineligibility for insurance under the National Housing Act is due to the MORTGAGEES'S failure to remit the mortgage insurance premium to the Department of Housing and Urban Debelopment."

David M. Richards  
Borrower

DAVID M. RICHARDS

Daphne G. Richards  
Borrower

DAPHNE G. RICHARDS