

WARRANTY DEED

9512045

Mail tax bills to:

Johnny B. Borom
4532 E. 6th Place
Gary, Indiana 46903

THIS INDENTURE WITNESSETH, That PARIS D. BOROM

('Grantor[s]') of Lake County in the State of Indiana,

CONVEYS AND WARRANTS TO JOHNNY B. BOROM

of Lake County in the State of Indiana for and in consideration of \$ 10.00 (ten) dollars and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following Real Estate in Lake County in the State of Indiana, to wit:

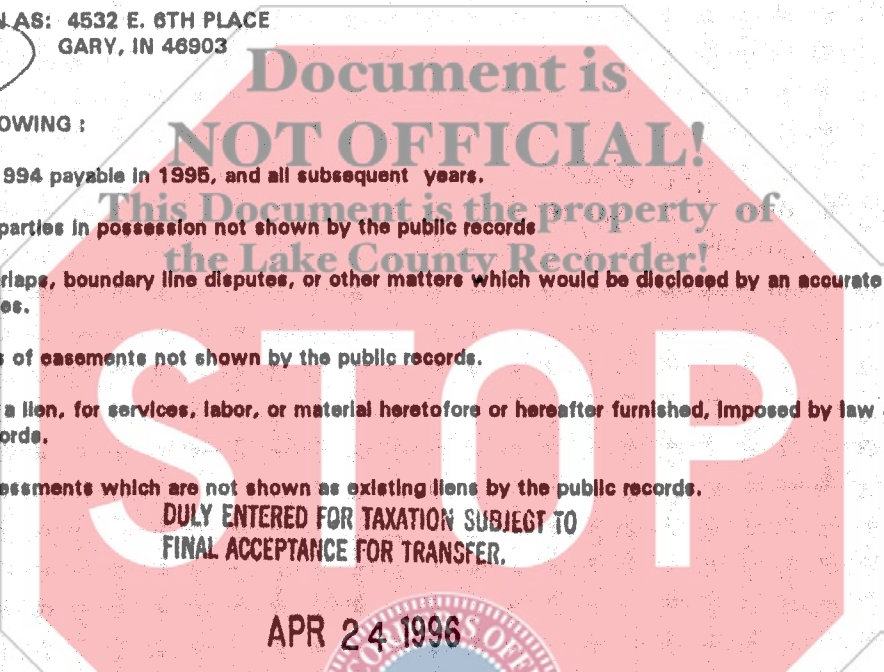
LOT 22, BLOCK 5, GLEN L. RYAN'S SECOND SUBDIVISION, IN THE CITY OF GARY, AS SHOWN IN PLAT BOOK 30, PAGE 24, LAKE COUNTY, INDIANA.

COMMONLY KNOWN AS: 4532 E. 6TH PLACE
GARY, IN 46903

KEY NO. 25-46-561-22

SUBJECT TO THE FOLLOWING :

- (a) Taxes for the year 1994 payable in 1995, and all subsequent years.
- (b) Rights or claims of parties in possession not shown by the public records
- (c) Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
- (d) Easements or claims of easements not shown by the public records.
- (e) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and shown by the public records.
- (f) Taxes or special assessments which are not shown as existing liens by the public records.



APR 24 1996

SAM ORLICH

AUDITOR LAKE COUNTY Dated this 20th day of December, 1995

State of Indiana, Lake County, ss: Before me, the undersigned, a Notary Public in and for said County and State, this day of December, 1995 personally appeared:

Paris D. Borom Seal

PARIS D. BOROM

PARIS D. BOROM

And acknowledged the execution of the foregoing deed. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

My commission Expires

REGINA M. MOREY

Notary Public

A Resident of Lake Co., IN

My Commission Exp. May 16, 1998

Notary Public

Resident of Lake County.

This instrument prepared by: Robert B. Leopold, Attorney At Law, 8242 Calumet Avenue; Munster, IN 46321 219/922-9661
Attorney Identification Number: 8767-45

001462

1000
cu# 3462

Nations Title

96027106

96 APR 25 AM 9:16

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

MARGARETTE CLEVELAND
RECORDER

WHEN RECORDED MAIL TO:

OPTION ONE MORTGAGE CORPORATION
P.O. BOX 25068
SAN ANTONIO, CA 92709

ATTN: QUALITY CONTROL

96000809

STATE OF CALIFORNIA
COUNTY OF SAN ANTONIO
96 JAN 4 AM 11

Loan Number 041000075
Servicing Number 023230-0

Space Above The Line For Recording Date

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on December 29, 1995

The mortgage is

JOSEPH B. B. M. A MARRIED MAN

(Borrower)

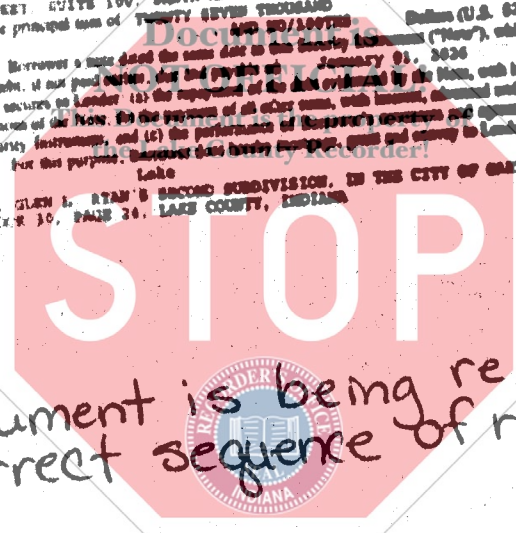
This Security Instrument is given to
OPTION ONE MORTGAGE CORPORATION, A CALIFORNIA CORPORATION
which is organized and existing under the laws of
CALIFORNIA

(Lender)

1222 E. FIRST STREET SUITE 100 SANTA ANA, CA 92705
Borrower owes Lender the principal sum of TWENTY SEVEN THOUSAND
AND 00/100TH

Dollars (U.S. \$27,000.00)

The debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly
payments, with the full debt, if not paid earlier, due and payable on January 01, 2026.
This Security Instrument secures to Lender (a) the payment of the debt evidenced by the Note, with interest, and all amounts
accruing and maturing thereon; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect
the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security
Instrument and the Note for this purpose. Borrower does hereby mortgage, grant and convey to Lender the following described
property located in
LOT 22, BLANK 5, GLEN E. STAN'S SECOND SUBDIVISION, IN THE CITY OF GALT, IN
INDIAN IN PLAT BOOK 30, PAGE 30, LAKE COUNTY, INDIANA



* Document is being re-recorded
to correct sequence of recordings.

which has the address of 4632 E 6TH PLACE

GALT

Illinois

Indiana

46403

(Zip Code)

("Property Address")

TOGETHER WITH all the improvements now or hereafter created 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 as the Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully owner of the same hereby conveyed and has the right to mortgage,
grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and
will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

BORROWER COVENANTS, Borrower and Lender covenant and agree as follows:
1. Payment of Principal and Interest: Payment and Late Charges. Borrower shall promptly pay when due the principal
of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

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OPTION ONE MORTGAGE CORPORATION
Page 1 of 8

3/2/96
5/2/96

OPTION ONE MORTGAGE CORPORATION

4000
5/2/96
CRH 3462

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note until the Note is paid in full, a sum ("Funds") for (a) yearly taxes and assessments which may retain priority over this Security Instrument as a lien on the Property; (b) yearly household payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 6, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, (12 U.S.C. § 2601) or reg. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, as an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall 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 insufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraph 2 shall be applied first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to amounts due, fourth, to principal due, and last, to any late charges due under the Note.

4. Charge, Lien. Borrower shall pay all taxes, assessments, charges, fees and impositions payable to the Property which may retain priority over this Security Instrument, and household payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower 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) consents 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 subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may retain 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.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "standard coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods this 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 interest in the Property in accordance with paragraph 7.

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, or applicable Law otherwise requires, insurance proceeds shall be applied first to reimburse Lender for costs and expenses incurred in connection with obtaining any such insurance proceeds, and then, at Lender's option, in such order and proportion as Lender may determine in its sole and absolute discretion, and regardless of any impairment of security or lack thereof, (i) to the sums secured by this Security Instrument, whether or not then due, and to such components thereof as Lender may determine in its sole and absolute discretion; and/or (ii) to Borrower to pay the costs and expenses of necessary repairs or restoration of the Property to a condition satisfactory to Lender. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, Lender may collect the insurance proceeds. Lender may, in its sole and absolute discretion, and regardless of any impairment of security or lack thereof, use the proceeds to repair or restore the Property or to pay the sums secured by this Security 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, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 9 or change the amount of the payments. If under paragraph 21 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 sums secured by this Security Instrument immediately prior to the acquisition.

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2. Funds for Taxes and Insurance. Subject to applicable law or in a written waiver by Lender, Borrower shall pay to Lender on the due monthly payments are due under the Note until the Note is paid in full a sum ("Funds") for (a) yearly taxes and assessments which may attach priority over this Security Instrument as a lien on the Property; (b) yearly household payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. If so, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall 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 exceeds the amount permitted by applicable law, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale to (a) satisfy against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due, monthly, to principal due, and last, to any late charges due under the Note.

4. Charges, Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach priority over this Security Instrument, and household payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower 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 subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach 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.

5. Hazard or Property Insurance. Borrower 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 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 if this in the Property in accordance with paragraph 7.

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, or applicable Law otherwise requires, insurance proceeds shall be applied first to reimburse Lender for costs and expenses incurred in connection with obtaining any such insurance proceeds, and then, at Lender's option, in such order and proportion as Lender may determine in its sole and absolute discretion, and regardless of any impairment of security or lack thereof, (i) to the sums secured by this Security Instrument, whether or not then due, and to such components thereof as Lender may determine in its sole and absolute discretion; and/or (ii) to Borrower to pay the costs and expenses of necessary repairs or restoration of the Property to a condition satisfactory to Lender. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, Lender may exhaust the insurance proceeds. Lender may, in its sole and absolute discretion, and regardless of any impairment of security or lack thereof, use the proceeds to repair or restore the Property or to pay the sums secured by this Security 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, any application of proceeds to principal shall not cause or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 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 sums secured by this Security Instrument immediately prior to the acquisition.

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If Borrower obtains earthquake insurance, any other hazard insurance, or any other insurance on the Property and such insurance is not specifically required by Lender, then such insurance shall (i) name Lender as loss payee thereunder and (ii) be subject to the provisions of this paragraph 5.

6. **Preservation, Maintenance and Protection of the Property;** Borrower's Loan Application; Leasehold. 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 forcible 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 18, 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. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

Borrower shall at Borrower's own expense appear in and defend any action or proceeding purporting to affect the Property or any portion thereof or Borrower's title therein, the validity or priority of the lien created by this Security Instrument, or the rights or powers of Lender with respect to this Security Instrument or the Property. All causes of action of Borrower, whether accrued before or after the date of this Security Instrument, for damage or injury to the Property or any part thereof, or in connection with any transaction financed in whole or in part by the proceeds of the Note or any other note secured by this Security Instrument, by Lender or in connection with or affecting the Property or any part thereof, including causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact, are, at Lender's option, assigned to Lender, and the proceeds thereof shall be paid directly to Lender who, after deducting therefrom all its expenses, including reasonable attorneys' fees, may apply such proceeds to the debts secured by this Security Instrument or to any deficiency under this Security Instrument or may release any amounts so received by it or any part thereof, as Lender may elect. Lender may, at its option, appear in and prosecute or defend any action or proceeding in order to enforce any such cause of action and may make any compromise or settlement thereof. Borrower agrees to execute such further assignments and any other instruments as from time to time may be necessary to effectuate the foregoing provisions and as Lender shall request.

7. **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 laws or regulations, then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's 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 Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 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 of disbursement at the Note rate in effect from time to time and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the replacement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **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.

10. **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 Lender. Lender may apply, use or release the condemnation proceeds in the same manner as provided in paragraph 5 hereof with respect to insurance proceeds.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. **Borrower Not Released; Performance 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 or 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 or Borrower's successors in interest. Any forbearance by Lender in enforcing any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assign Beneficiary; 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 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note, (a) is co-signing this Security Instrument only to mortgage, grant and convey the 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 may agree to amend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

13. 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 Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notice. 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.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and 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 Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conforming copy of the Note and of this Security Instrument.

17. 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 date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay those 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.

18. Borrower's Right to Reinstatement. 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 judgment enforcing this Security Instrument. These conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note 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 name 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 remain unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if the acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity known as the "Loan Servicer" that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law. The holder of the Note and this Security Instrument shall be deemed to be the Lender hereunder.

20. 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 Substances that are generally recognized to be appropriate to normal residential use 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 Property and any Hazardous Substances 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 Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

Borrower shall be solely responsible for, shall indemnify, defend and hold harmless Lender, its directors, officers, employees, attorneys, agents, and their respective successors and assigns, from and against any and all claims, demands, causes of action, loss, damage, cost (including actual attorney's fees and costs) and costs of any required or necessary repair, cleanup or decontamination of the Property and the preparation and implementation of any closure, abatement, containment, remedial or other required plan, expense and liability directly or indirectly arising out of or attributable to (a) the use, generation, storage, release, threatened release, discharge, disposal, abatement or presence of Hazardous Substances on, under or about the Property, (b) the transport to or from the Property of any Hazardous Substances, (c) the violation of any Hazardous Substances law, and (d) any Hazardous Substances claims.

 JBB

As used in this paragraph 20, "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 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety and the environment.

ADDITIONAL COVENANTS. Borrower and Lender further covenant and agree as follows:

21. **Acceleration; Remedies.** If any installment under the Note or notes secured hereby is not paid when due, or if Borrower should be in default under any provision of this Security Instrument, or if Borrower is in default under any other mortgage or other instrument secured by the Property, all sums secured by this Security Instrument and accrued interest thereon shall at once become due and payable at the option of Lender without prior notice, except as otherwise required by applicable law, and regardless of any prior force majeure. In such event, Lender, at its option, and subject to applicable law, may then or thereafter invoke the power of sale and/or any other remedies or take any other actions permitted by applicable law. Lender will collect all expenses incurred in pursuing the remedies described in this Paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of this evidence.

22. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument and the Property therefrom.

23. **Waiver of Valuation and Appraisal.** Borrower waives all right of valuation and appraisal.

24. **Misrepresentation and Misstatements.** Borrower has made certain written representations and disclosures in order to induce Lender to make the loan evidenced by the Note or notes which this Security Instrument covers, and in the event that Borrower has made any material misrepresentation or failed to disclose any material fact, Lender, at its option and without prior notice or demand, shall have the right to declare the indebtedness secured by this Security Instrument, irrespective of the maturity date specified in the Note or notes secured by this Security Instrument, immediately due and payable.

25. **Time is of the Essence.** Time is of the essence in the performance of each provision of this Security Instrument.

26. **Waiver of Statute of Limitations.** The pleading of the statute of limitations as a defense to enforcement of this Security Instrument, or to any other obligations referred to herein or secured hereby, is hereby waived to the fullest extent permitted by applicable law.

27. **Modification.** This Security Instrument may be modified or amended only by an agreement in writing signed by Borrower and Lender.

28. **Reimbursement.** To the extent permitted by applicable law, Borrower shall reimburse Lender for any and all costs, fees and expenses which either may incur, expend or sustain in the performance of any act required or permitted hereunder or by this Security Instrument or otherwise arising out of or in connection with this Security Instrument, the Note, any other note secured by this Security Instrument or any other instrument executed by Borrower in connection with the Note or Security Instrument. To the extent permitted by applicable law, Borrower shall pay to Lender its fees in connection with Lender providing documents or services as provided herein in connection with this Security Instrument, the Note, any other note secured by this Security Instrument or any other instrument executed by Borrower in connection with the Note or Security Instrument.

29. **Clerical Error.** In the event Lender at any time discovers that the Note, any other note covered by this Security Instrument or the Security Instrument, or any other document or instrument executed in connection with the Security Instrument, has been prepared, printed or otherwise caused by a clerical mistake, calculation error, computer malfunction, printing error or similar error, Borrower agrees, upon notice from Lender, to reexecute any documents that are necessary to correct any such error(s). Borrower further agrees that Lender will not be liable to Borrower for any damages incurred by Borrower that are directly or indirectly caused by any such error.

30. **Lost, Stolen, Destroyed or Mutilated Security Instruments and Other Documents.** In the event of the loss, theft or destruction of the Note, any other note secured by this Security Instrument, the Security Instrument or any other document or instrument executed in connection with the Security Instrument, Note or notes (collectively, the "Loan Documents"), upon Borrower's receipt of an indemnification executed in favor of Borrower by Lender, or, in the event of the mutilation of any of the Loan Documents, upon Lender's surrender to Borrower of the mutilated Loan Document, Borrower shall execute and deliver to Lender a Loan Document in form and content identical to, and to serve as a replacement of, the lost, stolen, destroyed, or mutilated Loan Document, and such replacement shall have the same force and effect as the lost, stolen, destroyed, or mutilated Loan Documents, and may be treated for all purposes as the original copy of such Loan Document.

31. **Assignment of Rents.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property. Borrower shall have the right to collect and retain the rents of the Property as they become due and payable provided Lender has not exercised its rights to require immediate payment in full of the sums secured by this Security Instrument and Borrower has not abandoned the Property.

32. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

[Check applicable box(es)]

- Adjustable Rate Rider
- Non-Prepayment Penalty Option Rider
- Others (specify) _____
- Condominium Rider
- Planned Unit Development Rider
- 1-4 Family Rider
- Occupancy Rider

J. BB

Ink _____ Ink _____ Ink _____ Ink _____ Ink _____

Loan Number: 041006075

Servicing Number: 933339-6

Date: 12/30/98

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

Witnesses

John J. Wilson _____

STATE OF INDIANA

County of: Lake

On this _____ day of _____, 1998, _____, the undersigned, a Henry Public in and for said County, personally appeared _____

Document is NOT OFFICIAL!

This Document is acknowledged as correct and true by the undersigned, a Henry Public in and for said County, personally appeared _____ the Lake County Recorder.

WITNESS my hand and official seal.

My Commission Expires _____

This instrument was prepared by _____

Henry Public

John J. Wilson
Deputy of Super. County

STOP



NOTE

153. W. 7TH PL. APT. IN 46-03

(Property Address)

BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$27,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is OPTION ONE MORTGAGE CORPORATION, A CALIFORNIA CORPORATION. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. Interest will be calculated on the basis of a 12 month year and a 30 day month. I will pay interest at a yearly rate of 13.0000. The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

PAYMENTS

(A) Time and Place of Payments: I will pay principal and interest by making payments every month. I will make my monthly payments on the first day of each month beginning on February 01, 1991. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on January 31, 1991, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date". I will make my monthly payments at Option One Mortgage Corporation, Department 7021, Los Angeles, CA 90009-7021 or at a different place if required by the Note Holder. (B) Amount of Monthly Payments: My monthly payments will be in the amount of U.S. \$200.00. (C) Application of Payments: Payments received by the Note Holder will be applied in the following order: (i) prepayment charges due under this Note; (ii) amounts payable under paragraph 2 of the Security Instrument (defined below); (iii) interest due under this Note; (iv) principal due under this Note; and (v) late charges due under this Note.

BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due, together with accrued interest. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. If I make a partial prepayment, there will be no change in the due date of my monthly payments unless the Note Holder agrees in writing to those changes. If within five (5) years from the date of execution of the Security Instrument I make a full prepayment or, in certain cases a partial prepayment, I will in the same time pay to the Note Holder a prepayment charge. The prepayment charge will be equal to six (6) months advance interest on the amount of my prepayment that, when added to all other amounts prepaid during the twelve (12) month period immediately preceding the date of the prepayment, exceeds twenty percent (20%) of the original principal amount of this Note. In no event will such a charge be made if a violation state or federal law.

LOAN CHARGES

If a law, which applies to this loan and which can result in less charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (1) my cash loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) my same amount collected from me which exceeded permitted limits will be returned to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund exceeds principal, the reduction will be treated as a partial prepayment.

BORROWER'S DUTIES TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments: If the Note Holder has not received the full amount of my monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be \$ 5.0000 if my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment. (B) Default: If I do not pay the full amount of each monthly payment on the date it is due, I will be in default. If I am in default, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all interest due I owe on that amount, together with any other charges that I owe under this Note or the Security Instrument. (C) No Waiver by Note Holder: Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

Jhb

Loan Number: 041006076

Servicing Number: 023336-6

Date: 12/29/95

(D) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorneys' fees.

7. GIVING IN NOTICE

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it to my mailing address as stated in the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to sales persons that amounts due have not been paid.

10. SECURED NOTE

In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. This Security Instrument describes how and under what conditions I may be required to make immediate payments in full of all amounts I owe under this Note. Some of these conditions are described as follows:

Transfer of the Property or a Beneficial Interest to Borrower. If all or any part of the Property or any interest in it is sold or transferred (as if a beneficial interest in Borrower is sold or transferred and Borrower is not a named party) without Lender's prior written consent, Lender may, at its option, require immediate payments 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. Lender also shall not exercise this option if: (a) Borrower ceases to be obligated to Lender in accordance with the terms of the loan assumption agreement; or (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

John B. Berger

JOHN B. BERGER
SEN: 355-04-0004

SEN: 000-00-0000

SEN: 000-00-0000

SEN: 000-00-0000

SEN: 000-00-0000

SEN: 000-00-0000

(Sign Original Only)

ALL INCLUSIVE AFFIDAVIT

Issued by

Nations Title Insurance

This is to certify that the affiant, in consideration of Nations Title Insurance's issuing its policy(ies) of title insurance insuring an interest in or title to the real estate described herein, and being first duly sworn on oath, deposes(s), and state(s) as follows:

1. The affiant is the owner/purchaser of the real estate described as follows: See attached

2. The affiant is a citizen of the United States, is of legal age, has not been divorced since acquiring an interest in said real estate and has never been known by any other name than that used herein, except: N/A

3. The affiant has had no ownership interest in the real estate described herein, continuously for the last _____ years and _____ months.

4. No proceedings in bankruptcy or receivership have been instituted by or against the affiant within the last ten years, and the affiant has never made an assignment for the benefit of creditors, nor has any security interest which requires payment or the performance of any obligations been given by the undersigned, or to the knowledge of the undersigned been granted, in any personal property or fixtures placed or installed in said premises, except: _____

5. There is no lien pending in any state or federal court in the United States within which the affiant is a party, nor is there any state or federal court judgment, state or federal tax lien or state or federal lien of any kind against the affiant which would constitute a lien or charge upon the real estate, except the following: N/A

6. There are no unrecorded easements, party walls, agreements or rights-of-way which encumber the real estate except: N/A

7. There are no delinquent real estate taxes, assessments, liens, taxes or charges except as follows: N/A

8. There are no tenants or other occupants presently in possession of the premises, except as follows: N/A

9. No labor, services or materials have been furnished in the erection, alteration, repair or removal of a building or structure upon the real estate during the last 30 days (provide statutory period applicable), except: N/A

10. The affiant has never been married (delete if inapplicable). Affiant has been married to: (List all spouses as current, divorced or deceased, and tenancy held): N/A

11. The property is residential in character and does not contain more than four family units.

12. The affiant has been in undisturbed possession of insured premises and is familiar with its physical characteristics and has no knowledge or notice of any claim of ownership or other interest by any other person for or in all or any part of the property, including but not limited to any boundary line disputes or discrepancies which may affect the site or location of improvements on the property or the site or location of improvements (e.g. fences, driveways) on neighboring property, and affiant has no knowledge of any encroachments or improvements which affect the property of the improvements thereon.

13. The property borders on a public street or highway having unlimited access.

14. There is no evidence apparent from any inspection of the property which indicates the existence of any old roads, lanes or paths crossing the property, and affiant has not observed, and is not aware of, any party who regularly crosses over any part of the property.

15. The affiant is not aware of any violations of any covenants or restrictions, any easements affecting this property are ascertainable or filed, and any easements or right-of-ways crossing the property do not interfere with the beneficial use and/or enjoyment of any structures or improvements presently on the property.

16. The affiant has not laid out or constructed any driveways or fences along any boundary lines of the property.

17. There are no brooks, streams, rivers, ponds, lakes or other bodies of water located on or bordering the property.

18. I have examined a certain survey of the above premises entitled: N/A

made by _____ and

- a. No exterior alterations or additions have been made to the building(s) shown on said survey.
- b. No additional alterations or additions or improvements have been constructed on said premises.
- c. This survey reflects the current status of the premises.

(IF PROPERTY IS A CONDOMINIUM OR P.U.D.)

19. All common expense assessments and special assessments currently assessed against the premises have been paid.

20. There is no "right of first refusal" or other restriction on the sale of the premises which has not been waived by the association.

21. The undersigned makes this affidavit for the purpose of inducing _____ to purchase the property, and/or for the purpose of inducing _____ to grant a mortgage on the property, and for the purpose of inducing Nations Title Insurance to issue a policy of title insurance in the amount of \$_____. Knowing they will rely upon the truth of the statements herein made, and expressly agrees to indemnify and hold harmless Nations Title Insurance from any and all loss arising from any inaccuracies contained herein.

Any reference to the term affiant shall include multiple affiants to the extent that each undersigned individual shall be deemed to have made each representation jointly and separately.

Any reference to Nations Title Insurance shall include either Nations Title Insurance Company or Nations Title Insurance of New York Inc., as applicable.



Johanny B. Brown

Subscribe and owns to before me, this 29th day of December, 1995

[Signature]
Notary Public

My commission expires: 3/29/96 St. Joseph County

AFFIDAVIT OF NO NEW IMPROVEMENTS AFFIDAVIT IN LIEU OF SURVEY

The undersigned owner/s or seller/s of record as described in Nations Title Insurance Company file No. _____ being first duly sworn, depose and say:

CHECK FOR AFFIDAVIT OF NO NEW IMPROVEMENTS

That there have been no new improvements made to the property commonly known as:

_____ since the survey of said property dated _____ and issued by _____

_____ which is attached hereto was made.

CHECK FOR AFFIDAVIT IN LIEU OF SURVEY

That we did not receive a survey at the time we purchased the property, or if we did receive a survey, we are now unable to locate it, nor have we subsequently obtained a survey. In addition, we have been advised by our Lender that they do not have a survey in their files, and to the best of our knowledge, we certify that the improvements (house, garage, outbuildings, fences, etc.) on the subject property are within the boundary, easement and set back lines (if any) of said property, and that there are no encroachments of improvements of adjoining property onto the subject property, and that we know of no assertion being made by any adjoining property owners, nor by us against any adjoining property owners, as to the location of boundary lines or disputes as to occupancy of any portions of our property or their property with the exception/s noted below (if any):

This affidavit is given to Nations Title Insurance Company as an inducement to issue extended coverage on the proposed Owner's and/or Loan Policies over questions of survey, encroachments and easements not shown of record.

Dated 12/29/95

Borrower/s:

Gabriel B. Perea
(Signature)

Seller/s:

_____ (Signature)

Subscribed and sworn to before me this 29th day of December, 1995

(Seal)

D. Platt
Douglas A. Peterson
St. Joseph Asst. Secy
Notary Public

No New Improvements

NO PREPAYMENT PENALTY OPTION RIDER

For value received, the undersigned ("Borrower") agrees that the following provisions shall be incorporated into that certain Mortgage, Deed of Trust or Security Deed of even date herewith (the "Security Instrument") executed by Borrower to

as beneficiary, grantee, and also into that certain promissory note (the "Note") of even date herewith executed by Borrower in favor of Lender. To the extent that the provisions of this No Prepayment Penalty Option Rider (the "Rider") are inconsistent with the provisions of the Security Instrument and/or the Note, the provisions of this Rider shall prevail over and shall supersede any such inconsistent provisions of the Security Instrument and/or the Note.

The Rider is intended to read in its entirety as follows:

Borrower's Right to Prepay

I hereby agree to make payments of principal at any time before they are due together with interest thereon. When I make a prepayment, I will tell the Note Holder in writing that I am making a prepayment. I will make prepayments or partial prepayments without paying any prepayment penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe on the Note. If I make a partial prepayment, there will be no changes in the due dates or amounts of my monthly payments unless the Note Holder agrees in writing to those

STOP



BORROWER AFFIDAVIT

Loan Number 12/29/95
061006075
921216-6

Property Address: 4832 E 4TH PLACE
GARY, IN 46603

The undersigned,
does hereby certify that

1. He/She is one and the same person as

(Indicate Name Variation)

(Indicate Name Variation)

2. The number shown on this form is my correct taxpayer identification.

11C-54-5146

3. The following signature is my legal signature for my full name as it appears on any of the documents executed in connection with this Real Estate transaction.

Signature John B. Brown

12-29-95
Date



State of Indiana County of Lake I am

On December 29, 1995 before me, the undersigned, a Notary Public in and for said state, personally appeared John B. Brown

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) before subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.
(Reserved for official seal)

Signature [Signature]
Dorothy A. [Signature]

My commission expires: 3/29/96

St. Joseph Parish

OCCUPANCY RIDER PRIMARY / SECONDARY HOME

THIS OCCUPANCY RIDER is made December 29, 1996, and is incorporated into and amends and supplements 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 OPTION ONE MORTGAGE CORPORATION, A CALIF. CORPORATION (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at

4532 S 6TH PLACE, GARY, IN 46403
(Property Address)

OCCUPANCY AGREEMENTS

In addition to the covenants and agreements made in the Security Instrument, Borrower further covenants and agrees as follows:

1. Borrower acknowledges that the Lender does not desire to make a loan to Borrower caused by this property on the terms contained in the Note unless the property is to be occupied by Borrower as Borrower's primary/secondary residence. Lender makes non-owner residence loans on different terms.
2. The Borrower desires Lender to make this loan to Borrower.
3. Borrower promises and assures Lender that Borrower intends to occupy this property as Borrower's primary/secondary residence and that Borrower will so occupy this property as its sole primary/secondary residence within sixty (60) days after the date of the Security Instrument.
4. If Borrower breaches this promise to occupy the property as Borrower's primary/secondary residence, then Lender may invoke any of the following remedies. In addition to the remedies provided in the Security Instrument:
 - A. Declare all sums secured by the Security Instrument due and payable and exercise the Power of Sale;
 - B. Decrease the term of the loan and adjust the monthly payments under the Note accordingly;
 - C. Increase the interest rate and adjust the monthly payments under the Note accordingly;
 - D. Require that the principal balance be reduced to a percentage of either the original purchase price or the appraised value then being offered on non-owner occupied loans.

CONFLICTING PROVISIONS

Borrower agrees that if the provisions of this Rider conflict with the printed terms in the Security Instrument and/or the Note, then the provisions of this Rider will control.

TERMINATION OF AGREEMENT

If the Security Instrument is assigned to another lender, this Rider may, at the option of the assignee, be terminated.

JBB

Loan Number 041006075

Servicing Number 923235-6

Date 12/29/96

IN WITNESS WHEREOF, Borrower has executed this Occupancy Rider

John D. [Signature]

State of _____ County of Lake JRS:
 On _____ before me, the undersigned, a Notary Public
 in and for said State personally appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
 to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and
 that he/she/they (as the person(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
 the instrument

Witness my hand and official seal
 (Reserved for official use)

Signature [Signature]
Douglas A. Johnson
 Name (typed or printed)

My commission expires: 5/29/98



