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MARGARETTE CLEVELAND
RECORDER

Loan Number 96/11706C-26
Case No. 26-26-6-0569276

MORTGAGE

THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.

THIS MORTGAGE, made the 4th day of OCTOBER 1996, between Raymond E. Dziezak Jr. AND Leslie A. Dziezak, HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP

of the _____ of Highland _____ in the county of Lake County _____, and State of Indiana (hereinafter called Mortgagor), and HOME MORTGAGEE CORPORATION, A NEW YORK CORPORATION a corporation organized and existing under the laws of NEW YORK (hereinafter called Mortgagee),

WITNESSETH: That whereas the Mortgagor is justly indebted to the Mortgagee for money borrowed in the principal sum of ONE HUNDRED EIGHTEEN THOUSAND EIGHT HUNDRED AND 00/100*****

Dollars (\$ 118,800.00), 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 NINE AND 000/1000

(9.000 %) per annum on the unpaid balance until paid, the said principal and interest to be payable at the office of 3000 HEMPSTEAD TURNPIKE, LEVITTOWN, NEW YORK, 11756

, or at such other place as the holder may designate in writing delivered or mailed to the Mortgagor, in monthly installments of NINE HUNDRED FIFTY FIVE AND 89/100 Dollars (\$ 955.89), commencing on the first day of DECEMBER, 1996 and continuing on the first day of each month thereafter until the principal and interest are fully paid, except that, if not sooner paid, the final payment of the entire indebtedness evidenced thereby shall be due and payable on the first day of NOVEMBER, 2026

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 of the following-described property, situated in the _____ of Highland _____ in the county of _____ Lake County _____ and State of Indiana, to wit: SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".

VA GUARANTEED LOAN AND ASSUMPTION POLICY RIDER ATTACHED HERETO AND MADE A PART HEREOF.

together with all buildings or improvements now or hereafter thereon, and the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversions, remainders, and the rents, issues, and profits thereof (provided, however, that the Mortgagor shall be entitled to collect and retain the said rents, issues, and profits until default hereunder); all fixtures now or hereafter attached to or used in connection with the premises; and in addition thereto the following described household appliances, which are, and shall be deemed to be, fixtures and a part of the realty and are a portion of the security for the indebtedness herein mentioned:

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THE MORTGAGOR FURTHER COVENANTS that:

1. Mortgagor is the owner of said premises in fee simple or such other estate as is stated herein.
2. Mortgagor will pay the indebtedness as provided in said note and this mortgage. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment, or one hundred dollars (\$100.00), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier.
3. Mortgagor will pay to the Mortgagee, as trustee, (under the terms of this trust as hereinafter stated) 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:
 - (a) 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, and of which the Mortgagor is notified) less all sums already paid therefor 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.
 - (b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:
 - (I) ground rents, taxes, special assessments, fire and other hazard insurance premiums;
 - (II) interest on the note secured hereby; and
 - (III) 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. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

4. If the total of the payments made by the Mortgagor under (a) of paragraph 3 preceding shall exceed the amount of payments actually made by the Mortgagee as trustee for ground rents, taxes or assessments or insurance premiums, as the case may be, such excess shall be credited on subsequent payments to be made by the Mortgagor for such items or, at Mortgagee's option, as trustee, shall be refunded to Mortgagor. If, however, such monthly payments shall not be sufficient to pay such items when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee as trustee any amount necessary to make up the deficiency. Such payments shall be made within thirty (30) days after written notice from the Mortgagee stating the amount of the deficiency, which notice may be given by mail. 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 as trustee, shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any credit balance remaining under the provisions of (a) of paragraph 3 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 as trustee, shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the amount then remaining to credit of Mortgagor under (a) of paragraph 3 preceding as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on said note.

5. Mortgagor will pay all taxes, assessments, water rates and other governmental or municipal charges, fines or impositions, except when payment for all such items has theretofore been made under (a) of paragraph 3 hereof and in default thereof the Mortgagee may pay the same; and will promptly deliver the official receipts therefor to said Mortgagee.

6. Mortgagor will not commit, permit, or suffer waste, impairment, or deterioration of said property or any part thereof, and in the event of the failure of the Mortgagor to keep the buildings and other improvements now or hereafter on said premises in good repair, the Mortgagee may make such repairs as may reasonably be deemed necessary for the proper preservation thereof and the sum so paid shall bear interest from date at the rate provided for in the principal indebtedness, shall be payable thirty (30) days after demand, and shall be fully secured by this mortgage.

7. Mortgagor will continuously maintain hazard insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when payment for all such premiums has theretofore been made under (a) of paragraph 3 hereof, he/she will pay promptly when due any premiums therefor. In default thereof the Mortgagee may pay the same. 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 payment 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.

8. 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 provided for in the principal indebtedness, shall become a part of the debt secured by this mortgage and shall be collectible as such.

9. Upon the request of the Mortgagee, the Mortgagor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the Mortgagee for the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the creditor and debtor. Failing to agree on the maturity, the whole of the sum or sums so advanced with interest thereon at the rate provided for in the principal indebtedness shall be due and payable thirty (30) days after demand by the creditor. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

10. If the proceeds of the loan made by the Mortgagee to the Mortgagor, the repayment of 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.

11. If any default be made in the payment of the installments provided for in paragraph 3 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 in the event of any subsequent default.

12. If 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.

13. No sale of the premises hereby mortgaged, 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, nor shall the full force and effect of this instrument be altered thereby.

14. 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. 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.

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 hereunder shall be without relief from valuation and appraisement laws and with reasonable attorney's fees.

If the indebtedness secured hereby be guaranteed or insured under Title 38 United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

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, the use of any gender shall include all genders, and the term "Mortgagee" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

Riders to this Security Instrument. The attached rider and any other riders executed by Borrower and recorded together with this Security Instrument shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument.

Borrower has executed and acknowledges receipt of pages 1 through 4 of this Mortgage.

IN WITNESS WHEREOF, the said Mortgagor has hereunto set hand and seal this day of

Raymond E. Dziezak Jr.
Raymond E. Dziezak Jr.

Leslie A. Dziezak
Leslie A. Dziezak

This instrument was prepared by _____ of

STATE OF INDIANA,

COUNTY OF Lake County

ss:

Before me, the undersigned,
of LAKE
day of OCTOBER, 1996
Dziezak

LINDA S. WOOD, an official
County of the State of Indiana, on this FOURTH
, personally appeared Raymond E. Dziezak Jr., Leslie A.
and

acknowledged the execution of the foregoing mortgage.

Witness my hand and official seal the day and year last above written.

Document is NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

My Commission expires: 10-17-98

Linda S. Wood
LINDA S. WOOD (Official Title) NOTARY PUBLIC



EXHIBIT "A"

**Lot 20, Homestead Gardens Master Addition, Block 25, to the Town of Highland,
as shown in Plat Book 38 page 81 in Lake County, Indiana.**



VA GUARANTEED LOAN AND ASSUMPTION POLICY RIDER

NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.

THIS VA GUARANTEED LOAN AND ASSUMPTION POLICY RIDER is made this 4th day of OCTOBER 1996, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (herein "Security Instrument") dated of even date herewith, given by the undersigned (herein "Borrower") to secure Borrower's Note to HOME MORTGAGEE CORPORATION, A NEW YORK CORPORATION

(herein "Lender") and covering the property described in the Security Instrument and located at:

3428 Ross Place, Highland, INDIANA 46322
(Property Address)

VA GUARANTEED LOAN COVENANT: In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, Such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of Borrower and Lender. Any provisions of the Security Instrument or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations, including, but not limited to, the provision for payment of any sum in connection with prepayment of the secured indebtedness and the provision that the Lender may accelerate payment of the secured indebtedness pursuant to Covenant 17 of the Security Instrument, are hereby amended or negated to the extent necessary to conform such instruments to said Title or Regulations.

LATE CHARGE: At Lender' option, Borrower will pay a "late charge" not to exceed four per centum (4%) of the overdue payment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured hereby.

GUARANTY: Should the Department of Veterans Affairs fail or refuse to issue its guaranty in full amount within 60 days from the date that this loan would normally become eligible for such guaranty committed upon by the Department of Veterans Affairs under the provisions of Title 38 of the U.S. Code "Veterans Benefits", the Mortgagee may declare the indebtedness hereby secured at once due and payable and may foreclose immediately or may exercise any other rights hereunder or take any other proper action as by law provided.

TRANSFER OF THE PROPERTY: If all or any part of the Property or any interest in it is sold or transferred, this loan shall be immediately due and payable upon transfer ("assumption") of the property securing such loan to any transferee ("assumer"), unless the acceptability of the assumption and transfer of this loan is established by the Department of Veterans Affairs or its authorized agent pursuant to section 3714 of Chapter 37, Title 38, United States Code.

An authorized transfer ("assumption") of the property shall also be subject to additional covenants and agreements as set forth below:

(a) ASSUMPTION FUNDING FEE: A fee equal to one-half of 1 percent (.50%) of the unpaid principal balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the mortgagee or its authorized agent, as trustee for the Secretary of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the mortgagee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 3729 (b).

(b) ASSUMPTION PROCESSING CHARGE: Upon application for approval to allow assumptions and transfer of this loan, a processing fee may be charged by the mortgagee or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which section 3714 of Chapter 37, Title 38, United States Code applies.

(c) ASSUMPTION INDEMNITY LIABILITY: If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan, including the obligation of the veteran to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

IN WITNESS WHEREOF, Borrower(s) has executed this VA Guaranteed Loan and Assumption Policy Rider.

Raymond E. Dziezak Jr. (Seal)
Borrower

Leslie A. Dziezak (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower