

INSTRUMENT PREPARED BY/RETURN TO:
Empire Funding Corp.
5000 Plaza on the Lake, Suite 100
Austin, Texas 78746
Prepared by
Signature: Kim Minon

Return Recorded Documents To:
EMPIRE FUNDING CORP.
9737 Great Hills Trail
Austin, TX 78759

85 4243848

INDIANA MORTGAGE

THIS INDENTURE WITNESSETH, that this Mortgage is executed between JOHN E. ROSS, SR., Mortgageor(s), and who have an address at 1330 MARYLAND GARY, IN 46407, LAKE County, Indiana, AND HOMEMAKERS REMODELING, INC., Mortgagee, whose principal place of business is at 300 W RIDGE GARY, IN 46403, LAKE County, Indiana, and its successors and assigns.

WITNESSETH Mortgageor(s), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the indebtedness hereinafter described, HEREBY MORTGAGE AND WARRANT all their right, title and interest in the property located LAKE County, Indiana, and being further described as follows:
LOT 35 IN BLOCK 11 GARY LAND COMPANY'S TENTH SUBDIVISION, CITY OF GARY, IN
SHOWN IN PLAT BOOK 20, PAGE 33, LAKE COUNTY, INDIANA.
PIN #25-44-285-038

7-1056348

which has an address of 1330 MARYLAND GARY, IN 46407, Indiana, TO HAVE AND TO HOLD the same unto Mortgagee together with all improvements and fixtures now or hereafter built on the Property, and all rights, easements, appurtenances, rents, issues, income and profits thereof, all collectively referred to as the "Property";

WITNESSETH THAT THIS MORTGAGEE IS GIVEN, UPON THE STATUTORY CONDITION, TO SECURE TO MORTGAGEE the payment of all sums, with interest thereon, advanced in accordance with this Mortgage; b) the payment of indebtedness evidenced by a Retail Installment Contract ("Contract") of even date herewith, in the Principal Sum of U.S. \$23,018.25, plus Finance Charge thereon, payable according to the terms of the Contract, without relief from valuation or appraisal laws, together with the payment of all other sums, with Credit Service Charge thereon, according to the terms of the Contract, executed by Mortgageor and delivered to Mortgagee, and any and all extensions, renewals, or modifications thereof (the "Indebtedness"), and c) the performance of Mortgageor's covenants and agreements under this Mortgage and the Contract.

MORTGAGOR COVENANTS with Mortgagee that Mortgageor is lawfully seized of the estate here conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgageor warrants and will defend generally the title to the Property against the claims and demands of all persons except as set forth herein.

MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

- 1. Payment.** Mortgageor agrees to make all payments of the Indebtedness in accordance with the terms of the Contract described above and any extensions, renewals, or modifications thereof, and hereby subjects the Property to payment or performance of the Contract. Mortgageor also agrees to perform all of Mortgageor's obligations under any superior mortgage or security agreement, including Mortgageor's covenants to make payments when due. Mortgageor may not make or permit any changes to prior security interests without Mortgagee's written consent.
- 2. Taxes.** Mortgageor will pay when due, all taxes, assessments, charges, fines, impositions, leasehold payments, ground rents, and other charges levied upon or with respect to the Property and will, upon request, deliver to Mortgagee satisfactory evidence of payment thereof. Upon request, Mortgageor will assign any rights, claims or defenses which Mortgageor may have against parties who supply labor or materials to improve or maintain the property.
- 3. Maintenance and Repair.** Mortgageor will maintain the Property and improvements in good repair and condition, will not permit or commit any waste or remove, demolish, or substantially alter any structure or fixture on the Property without Mortgagee's prior written consent, and will cause to be complied with all laws, ordinances or requirements of any governmental authority. Mortgageor will give Mortgagee prompt notice of any loss or damage to the property.
- 4. Insurance.** Mortgageor shall keep the Property insured against loss or damage by fire, windstorm, and such other hazards commonly known as Extended Coverage Risks, as Mortgagee may reasonably require from time to time and in such amounts and for such periods as Mortgagee shall require. The insurer shall be chosen by Mortgageor subject to Mortgagee's approval, which shall not be unreasonably withheld. All insurance policies and renewals thereof shall include a standard mortgage clause in favor of and in a form acceptable to Mortgagee. Mortgagee shall have the right to hold the policies and renewals. In the event of loss or damage, Mortgageor shall give immediate notice to the insurance carrier and Mortgagee. Mortgagee may make proof of loss if not made immediately by Mortgageor. Mortgagee may collect and apply the insurance proceeds at Mortgagee's option either to restoration or repair of the Property or to the sums secured by this Mortgage. Mortgageor agrees to maintain flood insurance with Mortgagee as loss payee in an amount equal to the principal outstanding during the term of said Indebtedness pursuant to the Flood Disaster Protective Act (42 U.S.C. 4012a).
- 5. Mortgagee's Right to Perform; Receiver.** If Mortgageor fails to perform the covenants and agreements contained herein, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Property, then Mortgagee at its option, after notice to Mortgageor, may do and pay for whatever is necessary to protect the value of the Property and Mortgagee's rights in the Property. Any amounts paid by Mortgagee, with Credit Service Charge thereon at the Contract rate, shall become additional indebtedness of Mortgageor secured hereby. Such amounts shall be payable upon notice from Mortgagee to Mortgageor requesting payment thereof. This paragraph shall not require Mortgagee to incur any expense or take any action hereunder. Upon prior notice

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
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MORTGAGE

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to Mortgagor, Mortgagee or its agent may make reasonable entries upon the Property to inspect the Property, to effect maintenance or repairs or to take other action pursuant to this paragraph. Mortgagor's failure to pay taxes, assessments or similar charges when due or to procure and maintain any insurance shall constitute waste and shall entitle Mortgagee to the appointment by a court of competent jurisdiction of a receiver of the Property for the purpose of preventing waste, which receiver may collect the rents and income from the Property and exercise such control over the Property as the court shall order.

6. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee, subject to the terms of any superior mortgage.

7. **Successors and Assigns, Co-signers.** The covenants and agreements in this Mortgage shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Mortgagee and Mortgagor. All covenants and agreements of Mortgagor shall be joint and several. Any Mortgagor who signs this Mortgage but does not execute the Contract does so only to Mortgage that person's interest in the Property to secure payment of the Contract, and does not agree to be personally liable to pay the sums secured hereby. Such Mortgagor agrees that Mortgagee and any other Mortgagor may agree to extend, modify or make any change in the terms of this Mortgage or the Contract without that Mortgagor's consent. Such a change will not release that Mortgagor from the terms of this Mortgage. Modification of the Indebtedness granted by Mortgagee to any successor in interest of Mortgagor shall not release the liability of the original Mortgagor and Mortgagor's successors in interest. Mortgagee is not required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the Indebtedness by reason of demand made by the original Mortgagor and Mortgagor's successors in interest.

8. **Notices.** All notices to Mortgagor and Mortgagee shall be deemed to be duly given if and when personally delivered or mailed, with postage prepaid, to the addresses of Mortgagor and Mortgagee appearing on the first page hereof, or at such other addresses as designated in writing.

9. **Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of Indiana, subject to any preemption by Federal law. If any provision of this Mortgage shall be unenforceable or void, then such provision shall be deemed severable from the remaining provisions to the extent not prohibited by applicable law, and if severed, shall in no way affect the enforceability of the remaining provisions nor the validity of this Mortgage or the Contract.

10. **Debt Due on Sale.** If all or any part of the Property or any interest in it is sold or transferred without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured hereby, unless prohibited by federal law. If Mortgagee exercise this option, Mortgagee shall give Mortgagor notice of such acceleration which notice shall provide a period of time within which Mortgagor must pay all sums secured hereby. If Mortgagor fails to pay these sums within such period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice to Mortgagor.

11. **Default; Notice of Default and Right to Cure; Acceleration.** Mortgagor will be in default if Mortgagor fails to make any payment when due or if any condition in this Mortgage or the Contract is violated, and such breach materially impairs the condition, value or protection of or Lender's rights in the Property, or materially alters Mortgagor's ability to pay amounts due. Where required by law, Mortgagee will send Mortgagor written notice of default and right to cure. The Notice shall specify the breach, the action required to cure the breach, a date by which such breach must be cured and that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured hereby and sale of the Property. If the breach is not cured on or before the date specified in the notice, Mortgagee, at its option, may declare all of the sums secured hereby to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. If Mortgagee invokes the power of sale, Mortgagee shall give notice of sale in the manner prescribed by applicable law to Mortgagor and to other persons prescribed by applicable law. Mortgagee shall publish the notice of sale and the Property shall be sold in the manner prescribed by applicable law. Mortgagee or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied to 1) all statutory expenses, 2) to all sums secured hereby, and 3) any excess to the clerk of the Circuit Court of the County in which the sale is held.

12. **Assignment of Rents.** Mortgagor assigns to Mortgagee all rents of the Property. Mortgagor may collect and retain the rents as they become due and payable. Upon Mortgagor's default, and after sending Mortgagor written notice and allowing Mortgagor a reasonable opportunity for cure where required by law, Mortgagee may seek direct payment of the rents by notification to the tenants, as well as commencing appointment of receiver and foreclosure proceedings. Mortgagee, its agent or a court appointed receiver may take possession of and manage the Property and collect rents, including those past due. Any rents and profits collected shall be applied first to costs of managing the Property and an excess shall be applied toward payment of the Indebtedness.

13. **Expenses.** Except when prohibited by law, Mortgagor agrees to pay all of Mortgagee's expenses if Mortgagor breach any covenant herein. Mortgagor agrees to pay all costs and expenses incurred by Mortgagee in collecting, enforcing or protecting Mortgagee's rights and remedies hereunder. This amount may include, but is not limited to attorney's fees, court costs and other legal expenses.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Mortgagor and Mortgagee request the holder of any Mortgage or other encumbrance with a lien which has priority over this Mortgage to give Notice to Mortgagee, at Mortgagee's address set forth on page one of this Mortgage Deed, of any default under the superior encumbrance and of any sale or other foreclosure action.

NOTE: This document is a mortgage which gives your contractor and its assignees a security interest in your property. The mortgage is taken as collateral for the performance of your obligations under your home improvement obligation.

(PLEASE SIGN THE ORIGINAL WHITE COPY IN THE PRESENCE OF A NOTARY)

IN WITNESS WHEREOF, the undersigned have executed this instrument on the 10th day of July, 19 97.

WITNESSES: (2 Witness Signatures Required)

MORTGAGORS:

John E. Ross Sr.
Name: JOHN E. ROSS, SR.

Name: _____, L.S.

Rosa Munoz
Name: Rosa Munoz
Witness: Josue Hinz
Witness: Josue Hinz

Name: _____, L.S.

Name: _____, L.S.

STATE OF INDIANA, Lake County ss:
Before me, a Notary Public in and for said County and State, personally appeared the above named Mortgagors John E. Ross Sr.
and

who acknowledged they he/she/they did sign the foregoing instrument and that the same is his/her/their free act and deed. WITNESS my hand and official seal this 10th day of July, 1997.
My Commission Expires: 11-16-97
NOTARIAL SEAL

Felipa Ortiz
Notary Public Name: Felipa Ortiz