

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

97073993

97 OCT 30 PM 1:44

MORRIS W. CARTER
RECORDER

5

Equity Line Mortgage

9045032820

Notice: This Mortgage secures advances made under an Equity Line Agreement and Disclosure Statement which contains a provision allowing for changes in the interest rate. All advances under the Equity Line Agreement and Disclosure Statement will be obligatory advances by the Lender. As the loan balance or interest rate changes, the monthly payment will change.

This Mortgage, is made this 24TH day of OCTOBER, 1997, between the Mortgagor
PEDRO J TORRES, whose address is
937 150TH, HAMMOND, INDIANA 46327 (herein "Borrower"), and
the Mortgagee, STANDARD FEDERAL BANK

a federal savings bank organized and existing under the laws of the United States of America, whose address is
2600 W. BIG BEAVER ROAD TROY, MICHIGAN 48084 (herein "Lender").

Whereas, Borrower is indebted to Lender for advances extended or to be extended to Borrower by Lender in an amount up to
TWELVE THOUSAND AND NO / 100

Dollars (\$ 12,000.00),
plus interest and expenses thereon under a line of credit extended by Lender according to the terms of an Equity Line Agreement
and Disclosure Statement ("Equity Line Agreement") of even date herewith made between Borrower and Lender and by
reference

made a part hereof, with final payment being due on OCTOBER 24, 2007 unless renewed; and

Whereas, Sections 6 and 7 of the Equity Line Agreement and Disclosure Statement provides for changes in the interest rate as follows:

"The Annual Percentage Rate will be adjusted quarterly as of January 21, April 21, July 21 and October 21 of each year (the "Adjustment Date"). The new Annual Percentage Rate for each Adjustment Date is calculated by adding 3.000 percentage points to a specified "Index" in effect on the last business day prior to the Adjustment Date. The Index we use is the weekly average Bank Prime Loan Rate in effect on the last business day of the month preceding each Adjustment Date. This Index is compiled and made available by the Federal Reserve Board. If this Index is discontinued for any reason, we will choose a new Index and promptly notify you of the change. The new Index will not be based upon a number or formula which is within our control. The maximum Annual Percentage Rate you will be charged will not exceed the maximum legal rate in effect from time to time during the term of this Agreement and in no case will the maximum Annual Percentage Rate exceed 18%."

Now, therefore, in consideration of the premises and of the extension of credit hereinabove set forth, to secure to Lender the repayment of advances extended under the terms of the Equity Line Agreement, with interest thereon, the payment of all other sums due pursuant to the Equity Line Agreement, with interest thereon, advances in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby

mortgage, grant and warrant to Lender the following described property located in the County of LAKE
State of Indiana:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES;

PARCEL NO: NOT FOUND

Hold for:
Indiana Title Network Co.
10971 Four Seasons Place
Crown Point
IN 46307 974240-03

(6-5-97) C-102107-11

CR# 09532
1700
SU

which has the address of 937 150TH
HAMMOND, INDIANA 46327

(hereinafter "Property Address");

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached thereto, all of which, including replacements and additions to the same, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with the aforesaid property, are herein referred to as the "Property."

Subject and subordinate, however, in each and every respect to the rights of **STANDARD FEDERAL BANK,**
A FEDERAL SAVINGS BANK (the "First Mortgage"), under and pursuant to a certain mortgage upon the Premises
dated **OCTOBER 24, 1997**

, in the amount of \$ **36,000.00**

Borrower does hereby covenant, promise and agree to and with Lender, which covenants, promises and agreements shall, to the extent permitted by law, run with the Property, as follows:

First. At the time of execution and delivery of this Mortgage, Borrower owns the Property in fee simple, free of all other liens and encumbrances other than the First Mortgage and the mortgage note secured thereby and building and use restrictions of record, and Borrower will warrant and defend generally title to the Property against all other claims and demands.

Second. Borrower shall promptly pay when due (a) all sums due to Lender under the Equity Line Agreement, (b) all sums due the First Mortgagee under the First Mortgage and the mortgage note secured thereby, and (c) all other sums now or hereafter owed by Borrower, whether jointly or severally, to Lender pursuant to this Mortgage. Borrower also shall discharge all of Borrower's obligations under the First Mortgage when the same shall be due.

Third. Until the indebtedness evidenced by the Equity Line Agreement is fully paid and all of Borrower's other obligations to Lender under this Mortgage have been satisfied, Borrower will pay all taxes, assessments, mechanics' liens and all other charges or impositions on the Property that may attain priority over the lien of this Mortgage before any penalty for nonpayment attaches thereto, and will deliver to Lender with or without demand satisfactory receipts showing such payment.

Fourth. Borrower shall keep the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may reasonably require. The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier. All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums, upon demand. 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, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage. Unless Lender and Borrower otherwise agree in writing any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments due to Lender under the terms of the Equity Line Agreement or change the amount of such installments. If the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

Fifth. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall promptly comply with all laws, ordinances and governmental regulations affecting the Property the violation of which would materially and adversely affect Lender's security interest in the Property.

Sixth. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced against Borrower or the Property which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, code enforcement, or enforcement by the First Mortgagee of any of its remedies for default under the First Mortgage, then Lender, at Lender's option, without notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including but not limited to, disbursement of all such sums as may be required to induce the First Mortgagee to forbear from exercising its remedies for default in the First Mortgage, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed and any expenses incurred by Lender under this paragraph shall bear interest at the rate provided for in the Equity Line Agreement and shall be due in full immediately upon demand by Lender. Under no circumstances whatsoever shall Lender be obligated to make any advances or to incur any expense or to take any action hereunder.

Seventh. Borrower shall not accept or permit any increase of the principal amount secured by the First Mortgage, nor accept or permit amendment, modification, extension or other change to the terms of any instrument or agreement executed in connection therewith, without Lender's prior written consent.

Eighth. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

Ninth. Upon the occurrence of a Termination Event, as set forth in the Equity Line Agreement, all of the indebtedness hereby secured shall, at the option of said Lender, become immediately due and payable, without notice and without relief from valuation and appraisal. The Lender shall have the right to foreclose this Mortgage, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time. In case proceedings to foreclose this Mortgage are instituted, any sums necessarily expended for the provisions to the Lender of evidence regarding the status of title to the Premises, together with interest thereon at the highest rate provided in the Equity Line Agreement, shall become a part of the debt secured by this Mortgage and shall be collectible as such.

Tenth. Should proceedings to foreclose this Mortgage be instituted, the Lender may apply for the appointment of a receiver (and the Borrower hereby consents to appointment of a receiver if there has been a Termination Event, as set forth in the Equity Line Agreement, in the performance of the conditions of this Mortgage), and such receiver is hereby authorized to take possession of the described Premises, 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 Lender, 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 Premises or of its adequacy to secure or discharge the indebtedness due or to become due or of the solvency of the Borrower.

Eleventh. Extension of the time for payment of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release or limit, in any manner, the liability of the original Borrower and Borrower's successors in interest. Further, Lender shall in no event be required to commence proceedings against any such successor in interest.

Twelfth. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

Thirteenth. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity and may be exercised concurrently, independently or successively.

Fourteenth. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several.

Fifteenth. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

Sixteenth. In the event that any provision or clause of this Mortgage or the Equity Line Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Equity Line Agreement which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and Equity Line Agreement are declared to be severable.

Seventeenth. If all or any part of the Property or an interest therein 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 Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

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 Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

In Witness Whereof Borrower has executed this Mortgage.

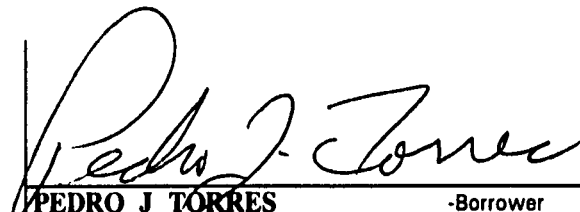
 PEDRO J TORRES	-Borrower
	-Borrower
	-Borrower
	-Borrower

EXHIBIT "A"

ALL LOT 4, STAFFORD & TRANKLE'S 7TH ADDITION TO THE CITY OF HAMMOND, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 6, PAGE 42, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA. COMMONLY KNOWN AS: 937 150TH STREET, HAMMOND, IN. 46327

ALSO KNOWN AS: 937 150TH, HAMMOND, INDIANA 46327

State of Indiana, LAKE

County ss:

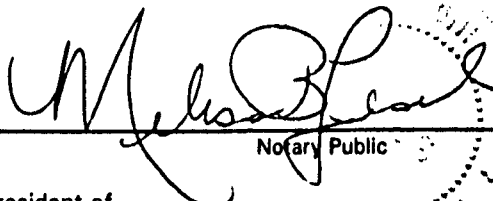
On this 24TH day of OCTOBER, 1997

before me, the undersigned, a Notary Public

in and for said County, personally appeared PEDRO J TORRES

and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.
My Commission expires:



 Notary Public
 A resident of _____ County

WHEN RECORDED RETURN TO:
STANDARD FEDERAL BANK
2600 W. BIG BEAVER ROAD
TROY, MICHIGAN 48084

THIS INSTRUMENT WAS PREPARED BY:
FIRST AMERICAN NATIONWIDE DOCUMENTS, L.P.
UNDER THE SUPERVISION OF RACHEL CASTILLO
11 GREENWAY PLAZA, 10TH FLOOR
HOUSTON, TEXAS 77046-1102

MELISSA B. LESCH, Notary Public
My commission expires November 24, 2000
Resident of Lake County, Indiana