

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

97079113

MORTGAGE 1:09

THIS MORTGAGE ("Security Instrument") is given on ~~November 10, 1997~~ ^{MO526} November 10, 1997. The mortgagor is Randall K. Smith whose address is 8304 Howard Avenue, Munster, Indiana 46321 ("Borrower"). This Security Instrument is given to American Money Centers, Inc., which is organized and existing under the laws of the State of Rhode Island ("Lender"). Borrower owes Lender the principal sum of Thirty-Seven Thousand Three-Hundred and 00/100 (\$37,300.00) Dollars. This debt is evidenced by Borrower's note dated the same date as this Security Instrument (the "Note"), which provides for monthly payments with the full debt, if not paid earlier, due and payable on November 17, 2012. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest at the rate set forth in the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advance under paragraph 6 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 these purposes Borrower does hereby mortgage and warrant to Lender and Lender's successors and assigns the following described property located in Lake County, Indiana.

For Legal Description of the Property Described Herein, See Exhibit "A"
Which is Annexed Hereto and Made a Part Hereof

which has an address of 8304 Howard Avenue, Munster, Indiana 46321 ("Property address"):

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever together with all improvements now or hereafter erected on the Property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all 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 referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage and warrant 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 encumbrance of record.

Borrower and Lender covenant and agree as follows:

1. **Payment of Principal, Interest and Other Charges.** Subject to paragraph 10 below, Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any late charges, collection costs and expenses and dishonored check charges as provided in the Note.

2. **Application of Payments.** Unless applicable law provides otherwise, Lender will apply each of Borrower's payment under the Note first to accrued and unpaid interest under the Note to the date of payment and the remainder, if any, to the unpaid principal balance under the Note. Any late charges, collection costs and expenses, dishonored check charges and payments made by Lender to enforce the Note and/or to protect Lender's interests under this Security Instrument will be assessed separately.

3. **Prior Mortgages; Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph, and receipts evidencing such payments.

Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security instrument with, creating or having a priority over this Security Instrument, including but not limited to, Borrower's covenants to make payments when due, Borrower shall promptly discharge any lien which has priority over this Security Instrument (other than a senior mortgage, deed of trust or other security instrument approved by Lender at the time of origination of this Security Instrument and with respect to which Borrower complies with the provisions of the immediately preceding sentence) 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 Lender's opinion operate to prevent the enforcement of the lien; or (c) secured 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 attain a 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.

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4. 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 and flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires, not to exceed the full replacement cost of the buildings and improvements on the Property. The insurance carrier providing the coverage to protect Lender's rights in the Property in accordance with paragraph 6.

All insurance policies and renewals must be acceptable to Lender and must include a standard mortgage clause in favor of and in a form acceptable to Lender. 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, insurance proceeds shall be applied to restoration or repair of the Property damaged, if restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. 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, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay 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 paragraph 1 or change the amount of the payments. If under paragraph 17 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.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds; Condominiums; Planned Unit Developments. Unless Borrower's loan application and Lender's loan approval provided that the Property was not required to be occupied as Borrower's principal residence, Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least 1 year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. 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 forfeiture 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 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.

If this Security Instrument is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declarations or covenants creating or governing the condominium or planned unit development and constituent documents.

6. 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 right in the Property (such as a proceeding in bankruptcy, probate, form 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, paying insurance premiums, appearing in court and entering on the Property to make repairs. Although Lender may take action under this paragraph 6, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 6 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 rate set forth in the Note if permitted by law, or, if not, at the highest lawful rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7. 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.

8. 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 and applied to the amount secured by this Security Instrument, subject to the terms of any senior mortgage, deed of trust or other security instrument. Any excess will be paid to the persons legally entitled to it.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration repair of the Property or sums secured by this Security Instrument, whether or not then due.

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 paragraph 1 or change the amount of such payments.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extensions of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or to any successors in interest. Lender shall not be required to commence proceedings against any successors 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 exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

10. Successors and Assigns Bound; 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(B). 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 and warrant that 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 extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent and without thereby impairing that Borrower's obligations and liability hereunder.

11. Loan Charges. If the loan secured by this Security Instrument is subject to a law or regulation which sets maximum loan charges, and that law or regulation is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceeded the permitted limits, then (a) any such interest and/or other loan charges shall be reduced by the amount necessary to reduce the interest and/or loan charges to the permitted limit; and (b) any sums already collected from Borrower which exceeded the permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owe 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.

12. Notices. 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 12.

13. Governing Law; Severability. This Security Instrument shall be governed by federal law, including the Alternative Mortgage Transaction Parity Act of 1982 and applicable regulations if the Note is a balloon payment note, Indiana law and any local law that applies in the place in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflict 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.

14. Borrower's Copy. Borrower hereby acknowledges receipt of one conformed copy of the Note and of this Security Instrument.

15. 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 12 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.

16. 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 uses 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 Substance 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 Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "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 16, "Environmental Law" means federal laws and the laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

17. Lender's Rights if Borrower Fails to Keep Promises and Agreements. If any of the events or conditions described in subparagraphs (A), (B), (C), (D), (E) or (F) of this paragraph 17 shall occur, Lender may require that Borrower pay immediately the entire amount remaining unpaid under the Note and this Security Instrument. This requirement will be called "Immediate Payment in Full."

If Lender requires Immediate Payment in Full, Lender may bring a lawsuit to take away all of Borrower's remaining rights in the Property and to have the Property sold. At this sale Lender or another person may acquire the Property. This is known as "foreclosure and sale." If the proceeds of this sale are insufficient to repay Lender the amounts due to Lender from Borrower under the Note and under this Security Instrument, Lender may, to the extent not limited or prohibited by law, obtain a court judgment against Borrower personally for the difference between all amounts due from Borrower under the Note and this Security Instrument and the sale proceeds. In any lawsuit for foreclosure and sale, Lender will have the right to collect all costs and expenses of the foreclosure and sale allowed by law. This includes reasonable attorney's fees to an attorney not a salaried employee of Lender and costs of title evidence permitted by Rules of Court, and reasonable attorney's fees to an attorney not a salaried employee of Lender for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction). All such sums as may come due will be secured by the lien of this Security Instrument.

Lender may require Immediate Payment in Full under this paragraph 17, if:

- (A) Borrower fails to make any payment required by the Note or this Security Instrument when it is due; or
- (B) Except in those circumstances in which federal law otherwise provides, all or any part of the Property, or any right in the Property, is sold or transferred without Lender's prior written consent (or, if Borrower is not a natural person, if a beneficial interest in Borrower is sold or transferred); or
- (C) On application of Lender, two or more insurance companies licensed to do business in the State in which the Property is located refuse to issue policies insuring the buildings and improvements on the Property; or
- (D) Borrower fails to make any payment required by any senior mortgage, deed of trust or other security instrument encumbering or affecting the Property, or Borrower fails to keep any other promise or agreement in any senior mortgage, deed of trust or other security instrument encumbering or affecting the Property; or
- (E) Borrower fails to keep any other promise or agreement in this Security Instrument within the time set forth, or if no time is set forth in this Security Instrument, then within the time set forth in the notice sent to Borrower by Lender; or
- (F) Any representations made or information given to Lender by Borrower in connection with Borrower's application for the loan evidenced by the Note is false or misleading in any material aspect.

18. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rent of the Property to the extent that rents are not being collected by the holder of an assignment of rents which has priority over this Security Instrument, provided that prior to acceleration hereof or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable. Upon acceleration hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rent of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of the management of the Property and collection of rents, including but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees to an attorney not salaried employee of Lender, and then to the sums secured by this Security Instrument. Any receiver shall be liable to account only for those rents actually received.

19. Release. Upon payment and discharge of all sums secured by this Security Instrument, this Security Instrument shall become null and void and Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay all costs of recordation, if any.

20. No Claim of Credit for Taxes. Borrower will not make deduction from or claim credit on the principal or interest secured by this Security Instrument by reason of any governmental taxes, assessments or charges. Borrower will not claim any deduction from the taxable value of the Property by reason of this Security Instrument.

21. Waivers. Borrower waives all rights to dower in, and statutory redemption of, the Property and all right of valuation and appraisal of the Property.

22. 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

- Adjustable Rate Rider
- Condominium Rider
- 1 - 4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Balloon Rider
- Other: Legal Description
- Rate Improvement Rider
- Second Home Rider

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it, and further acknowledge receipt, without charge, of a true copy of this Security Instrument.

Randall K. Smith
Randall K. Smith Borrower

Borrower

Borrower

STATE OF Indiana
COUNTY OF Lake

Before me, a notary public in and for said County and State this 10th day of November, 1997, RANDALL K. Smith acknowledged the execution of the foregoing Mortgage.

Witness my hand and Notarial Seal the day and year first above written.

Official Seal
Deborah R. Posta
Notary Public
State of Indiana
My Commission Expires 9-28-2001

Deborah R. Posta
Notary Public
My Commission Expires: 9-28-2001
County of Residence: Lake

After Recording This Mortgage To Be Returned To:

American Money Centers, Inc.
ATTN: POST CLOSING DEPARTMENT
37 Jefferson Boulevard
Warwick, Rhode Island 02888 