

LEGAL MORTGAGE

3 This mortgage made on the 18th day of DECEMBER, 1997, between and JUAN GARCIA, hereinafter referred to as MORTGAGORS, and ASSOCIATES FINANCIAL SERVICES, INC, whose address is 17629 S HALSTED, HOMEWOOD ILLINOIS, 60430, hereinafter referred to as MORTGAGEE

WITNESSETH Mortgagors jointly and severally grant, bargain, sell, convey and mortgage to Mortgagee, its successors and assigns, the real property hereinafter described as security for the payment of a loan agreement of even date herewith in the amount of \$ 16,630.26 together with interest as provided in the loan agreement which has a final payment date of 1/1/05

The property hereby mortgaged, and described below, includes all improvements and fixtures now attached together with easements, rights, privileges, interests, rents and profits.

TO HAVE AND TO HOLD the said property hereinafter described, with all the privileges and appurtenances thereunto belonging unto mortgagee, its successors and assigns, forever; and Mortgagors hereby covenant that mortgagors are seized of good and perfect title to said property in fee simple and have authority to convey the same, that the title so conveyed is clear, free and unencumbered except as hereinafter appears and that mortgagors will forever warrant and defend the same unto mortgagee against all claims whatsoever except those prior encumbrances, if any, hereinafter shown.

If mortgagors shall fully perform all the terms and conditions of this mortgage and shall pay in full in accordance with its terms, the obligations which this mortgage secures, then this mortgage shall be null, void and of no further force and effect.

MORTGAGORS AGREE: To keep the mortgaged property, including the buildings and improvements thereon, fully insured at all times against all hazards with an insurance company authorized to do business in the State of Indiana, acceptable to Mortgagee, which policy shall contain a loss payable clause in favor of Mortgagee as its interest may appear. Mortgagor hereby confers full power on Mortgagee to settle and compromise all loss claims on all such policies, to demand, receive, and receipt for all proceeds becoming payable thereunder; and, at Mortgagee's option, to apply same toward either the restoration or repair of the premises or the payment of the note. Any application of such proceeds toward payment of the note shall not extend or postpone the due date of monthly installments due under the note. If Mortgagee elects to waive such insurance Mortgagee agrees to be fully responsible for damage or loss resulting from any cause whatsoever. Mortgagors further agree: To pay all taxes, assessments, bills for repairs and any other expenses incident to the ownership of the mortgaged property when due in order that no lien superior to that of this mortgage and not now existing may be created against the property during the term of this mortgage, and to pay, when due, all installments of interest and principal on account of any indebtedness which may be secured by a lien superior to the lien of this mortgage and existing on the date hereof. To exercise due diligence in the operation, management and occupation of the mortgaged property and improvements thereon, and not to commit or allow waste on the mortgaged premises, and to keep the mortgaged property in its present condition and repair, normal and ordinary depreciation excepted.

If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, including, without limitation, covenants to pay taxes, procure insurance, and protect against prior liens, Mortgagee may at its option, but shall not be required to, disburse such sums and take such actions necessary to pay such taxes, procure such insurance, or otherwise to protect Mortgagee's interest. Any amount disbursed by Mortgagee hereunder shall be an additional obligation of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree otherwise, all such amounts shall be payable immediately by Mortgagor upon notice from Mortgagee to Mortgagor, and may bear interest from the date of disbursement by Mortgagee at the lesser of the rate stated in the note or the highest rate permissible by applicable law. Nothing contained in this paragraph shall require Mortgagee to incur any expense or take any action whatsoever.

If default be made in the terms or conditions of the debt or debts hereby secured or of any of the terms of this mortgage, or in the payment of any installments when due, or if Mortgagors shall become bankrupt or insolvent, or make an assignment for the benefit of creditors, or have a receiver appointed, or should the mortgaged property or any part thereof be attached, levied upon or seized, or if any of the representations, warranties or statements of Mortgagors herein contained be incorrect or if the Mortgagors shall abandon the mortgaged property, or sell or attempt to sell all or any part of the same, then the whole amount hereby secured shall, at Mortgagee's option, become immediately due and payable, without notice or demand, and shall be collectible in a suit at law or by foreclosure of this mortgage. In any case, regardless of such enforcement, Mortgagee shall be entitled to the immediate possession of the mortgaged property with the rents, issues, income and profits therefrom, with or without foreclosure or other proceedings. Mortgagors shall pay all costs which may be incurred or paid by Mortgagee in connection with any suit or proceeding to which it may be a party by reason of the execution or existence of this mortgage and in the event of foreclosure of this mortgage, Mortgagors will pay to the Mortgagee, in addition to taxable costs, and a reasonable fee for the search made and preparation for such foreclosure, together with all other and further expenses of foreclosure and sale, including expenses, fees and payments made to prevent or remove the imposition of liens or claims against the property and expenses of upkeep and repair made in order to place the same in a condition to be sold.

Unless prohibited under state law, as additional security, Mortgagor hereby gives to and confers upon Mortgagee the right, power, and authority, during the continuance of this mortgage agreement to collect the rents, issues, and profits of said property, reserving unto Mortgagor the right, prior to any default by Mortgagor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Mortgagee, upon giving written notification to the Mortgagor or his successors, etc., may either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of collection of such rents, issues and profits, and the application thereof aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

No failure on the part of Mortgagee to exercise any of its rights hereunder for default or breaches of covenant shall be construed to prejudice its rights in the event of any other or subsequent defaults or breaches of covenant, and shall not constitute a waiver of any such rights. Mortgagee shall be construed to preclude it from the exercise thereof at any time during the continuance of any such default or breach of covenant, and Mortgagee may enforce any one or more remedies hereunder successively or concurrently as it may see fit.

All rights and obligations hereunder shall extend to and be binding upon the several heirs, successors, executors, administrators and assigns of the parties hereto.

The plural as used in this instrument shall include the singular where applicable.

The real property hereby mortgaged is located in LAKE County, State of Indiana, and is described as follows:

THE SOUTH 1 1/2 FEET OF LOT 1, ALL OF LOT 2 AND THE NORTH 12 1/2 FEET OF LOT 3 IN BLOCK 11 IN RESUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE CITY OF EAST CHICAGO, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 5, PAGE 3, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

ALSO KNOWN AS: 4204 NORTHCOTE AVENUE, EAST CHICAGO, INDIANA TAX #24-30-0055-0002

IN WITNESS WHEREOF Mortgagors have executed this mortgage on the day above shown.

Juan Garcia MORTGAGOR

Table with 2 columns and 3 rows: ORIGINAL (1), BORROWER COPY (1), RETENTION COPY (1)

CK# 04146 + 4333

STATE OF INDIANA LAKE COUNTY FILED FOR RECORD 97 DEC 29 PM 12:56 MORTGAGE RECORDER

ACKNOWLEDGEMENT BY INDIVIDUAL OR PARTNERSHIP BORROWER

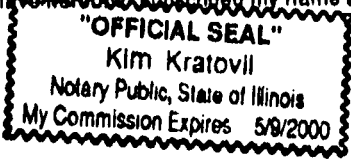
STATE OF INDIANA, COUNTY OF LAKE, 1999

Before me, the undersigned, a notary public in and for said county and state, personally appeared _____

JUAN GARCIA

and acknowledged in the execution of the foregoing mortgage.

IN WITNESS WHEREOF I have hereunto subscribed my name and affixed my official seal this 19th day of DECEMBER



My Commission Expires:

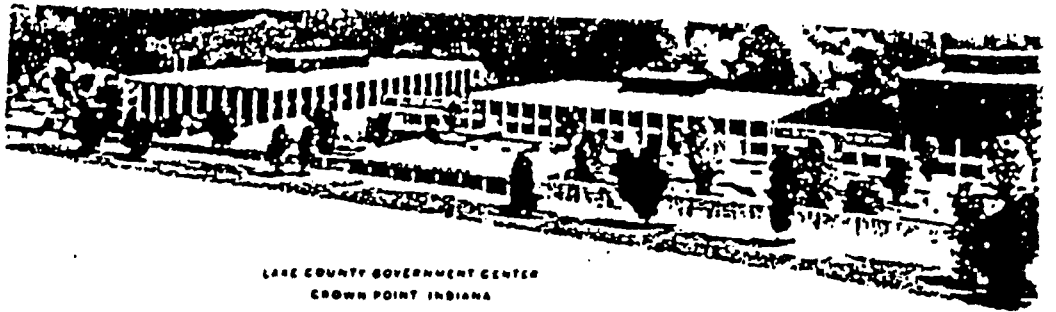
Kim Kratovil

NOTARY PUBLIC

Kim KRATOVIK COOK

NOTARY: PLEASE PRINT NAME AND COUNTY

This instrument was prepared by ASSOCIATES FINANCIAL SERVICES



LAKE COUNTY RECORDER

LAKE COUNTY GOVERNMENT CENTER
CROWN POINT INDIANA

PHONE 439

2293 N. MAIN STREET
CROWN POINT, INDIANA 46307
PHONE AREA CODE 219

Malvin W. Carter

DISCLAIMER

This document has been recorded as presented.
It may not meet with State of Indiana recordation
requirements.