

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MORRIS W. GAY

98025110

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Second Mortgage

14-357834 3

This Mortgage, is made this 28TH day of FEBRUARY, 1998, by
CRAIG A SCHOON AND SUSAN A SCHOON, HUSBAND AND WIFE
to Standard Federal Bank, a Federal Savings Bank ("Lender"), whose address is 2600 West Big Beaver Road, Troy, Michigan 48084.
Whereas, Borrower is indebted to Lender in the principal sum of

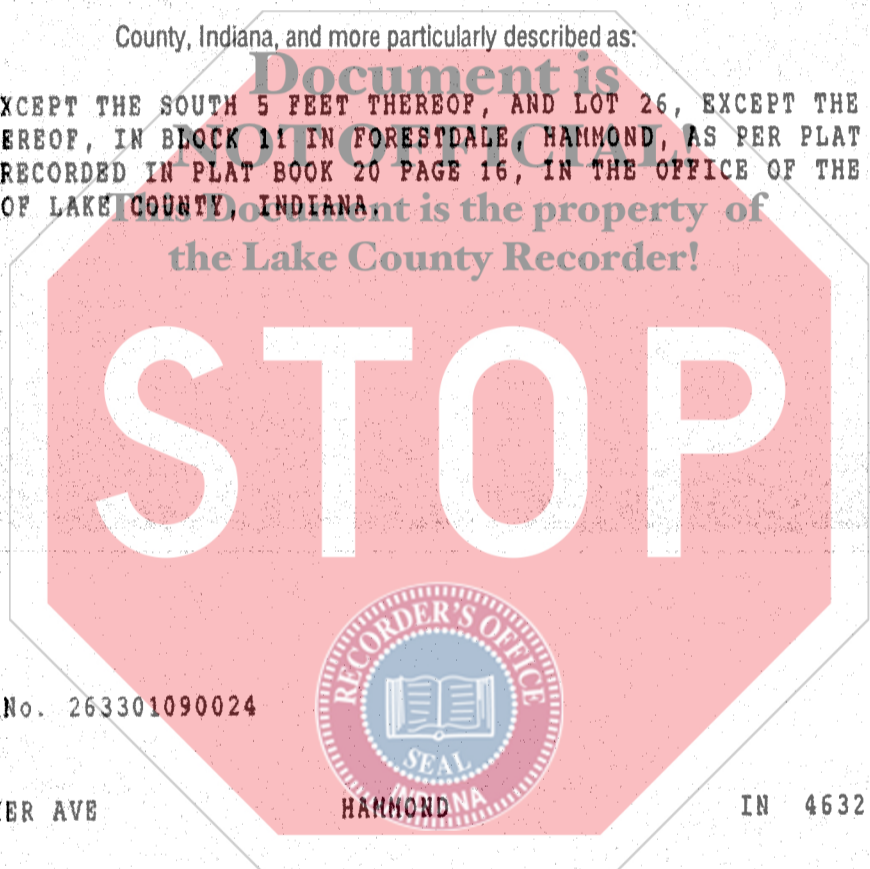
-----TEN THOUSAND AND 00/100

(\$ 10,000.00) Dollars, which indebtedness is evidenced by Borrower's note of even date ("Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on MARCH 1, 2008 ;

To secure to lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the repayment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any other sums now or hereafter owed to Lender by Borrower (or any of them, if more than one, jointly or jointly and severally), whether arising under the Note, this Mortgage or otherwise, Borrower does hereby Mortgage and Warrant to Lender, the following described property located in the CITY OF HAMMOND

LAKE County, Indiana, and more particularly described as:

LOT 25, EXCEPT THE SOUTH 5 FEET THEREOF, AND LOT 26, EXCEPT THE NORTH 5 FEET THEREOF, IN BLOCK 11 IN FORESDALE, HAMMOND, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 20 PAGE 16, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.



Tax Item No. 263301090024

which has the address of

6829 WICKER AVE

IN 46323

(herein "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 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

(the "First Mortgagee").

under and pursuant to a certain mortgage upon the premises dated 04/28/95, in the amount of

\$ 81,700.00 (the "First Mortgage").

1300
KRM
CKH
805 3674354

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 is lawfully seized of 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) the principal of and interest on the Note, and late charges, if any, provided in the Note, (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 or otherwise. 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 Note 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 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 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 referred to in paragraphs 1 and 2 hereof 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.

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 or could materially affect Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankrupt or debtor under any provision of the Bankruptcy Act, or a decedent, 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 Note and shall be due in full immediately upon demand by Lender. Under no circumstances whatever 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 any 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 therefor related to Lender's interest in the Property.

Ninth. Acceleration; Remedies. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

Tenth. Extension of the time for payment or modification of the amortization 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.

Eleventh. 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.

Twelfth. 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.

Thirteenth. 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.

Fourteenth. 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.

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

Sixteenth. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 16, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.


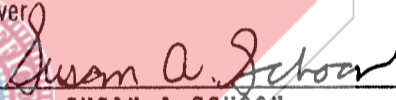
If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 9 hereof.

Seventeenth. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to release of this Mortgage, may make Future Advances To Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note plus US \$

Eighteenth. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower.

Nineteenth. Waiver of Valuation and Appraisalment. Borrower hereby waives all rights of valuation and appraisalment.

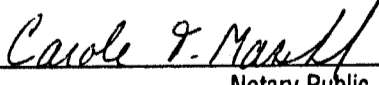
In Witness Whereof Borrower has executed this Mortgage.

Borrower		Borrower	
Borrower	CRAIG A SCHOON	Borrower	SUSAN A SCHOON

State of Indiana, LAKE County ss:
On this 28TH day of FEBRUARY, 1998, before me, the undersigned, a Notary Public in and for said County, personally appeared CRAIG A SCHOON AND SUSAN A SCHOON, HUSBAND AND WIFE

, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.
My Commission expires:
1-26-2001


CAROLE T MARSHALL
Notary Public
A resident of ST. JOSEPH County

This instrument was prepared by J. Philip Burt, Attorney at Law