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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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MORRIS W. CARTER  
RECORDER

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ACCOUNT# 5700249815

**MORTGAGE**

THIS MORTGAGE ("Security Instrument") is given on OCTOBER 25, 1999

The mortgagor is  
MICHAEL E ZISOFF AND CHRISTINE M ZISOFF HUSBAND AND WIFE

("Borrower").

✓ This Security Instrument is given to Superior Bank FSB which is organized and existing under the laws of THE UNITED STATES, and whose address is One Ramland Road, Orangeburg, New York 10962 ("Lender"). Borrower owes Lender the principal sum of FIFTY-THREE THOUSAND FIVE HUNDRED AND NO/100 Dollars (U.S. \$ 53,500.00). This debt is evidenced by borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on OCTOBER 03, 2029. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 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 this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in LAKE County, Indiana:

LOT 29 IN BLOCK 4 IN HOMESTEAD GARDENS ADDITION TO THE CITY OF HAMMOND, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 29, PAGE 72, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY INDIANA.

If this box is checked see Schedule A annexed hereto and made a part hereof.

which has the address of 7046 NORTHCOTE AVENUE

HAMMOND

[City]

, Indiana

[Street]

46324

[Zip Code]

("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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 is 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, grant and convey 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 encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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CL# 3179

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

**2. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. §2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument 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 the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures 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 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.

**5. 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 or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. 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

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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 the 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 paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 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.

**6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one 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 may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of 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 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.

**7. 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 rights in the Property (such as a proceeding in bankruptcy, probate, for 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, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 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 Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**8. Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

**9. 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.

**10. 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.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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 or repair of the Property or to the 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 paragraphs 1 and 2 or change the amount of such payments.

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor 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.

**12. 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. 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, grant and convey 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.

**13. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed 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 without any prepayment charge under the Note.

**14. 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.

**15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts 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.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it 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 Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

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**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

**19. 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 14 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.

**20. 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 20, "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 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**21. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, 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 non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**22. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower.

**23. Waiver of Valuation and Appraisal.** Borrower waives all right of valuation and appraisal.

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**24. 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.  
 [Check applicable box(es)]

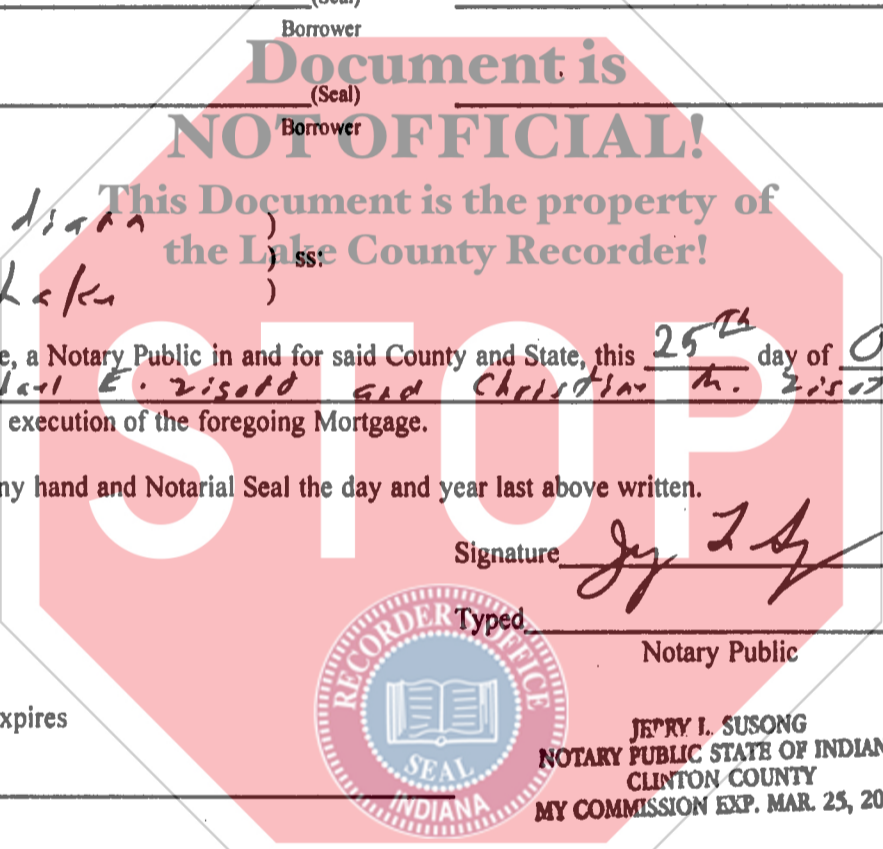
- Adjustable Rate Rider       Condominium Rider       1-4 Family Rider
- Graduated Payment Rider       Planned Unit Development Rider       Biweekly Payment Rider
- Balloon Rider       Rate Improvement Rider       Second Home Rider

Other(s) [specify] **ADDENDUM(S) PERIODIC PAYMENT RIDER, ADDITIONAL ADVANCE 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.

Christine M. Zisoff (Seal)      Michael E. Zisoff (Seal)  
 CHRISTINE M ZISOFF Borrower      MICHAEL E ZISOFF Borrower

\_\_\_\_ (Seal)      \_\_\_\_\_ (Seal)  
 Borrower      Borrower

\_\_\_\_ (Seal)      \_\_\_\_\_ (Seal)  
 Borrower      Borrower



STATE OF Indiana )  
 COUNTY OF Lake ) ss: )

Before me, a Notary Public in and for said County and State, this 25<sup>th</sup> day of October, 1999,  
Michael E. Zisoff and Christine M. Zisoff  
 acknowledged the execution of the foregoing Mortgage.

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

Signature Jerry I. Susong

Typed \_\_\_\_\_  
 Notary Public

My commission expires \_\_\_\_\_



JERRY I. SUSONG  
 NOTARY PUBLIC STATE OF INDIANA  
 CLINTON COUNTY  
 MY COMMISSION EXP. MAR. 25, 2000

This instrument was prepared by DANIEL SULLIVAN

After Recording This Mortgage To Be Returned To:

SUPERIOR BANK FSB  
 ONE RAMLAND ROAD  
 ORANGEBURG, NY 10962  
 ATTN: RECORDED DOCUMENTS DEPT.

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## PERIODIC PAYMENT RIDER

(Fixed Rate)

ACCOUNT #: 5700249815

THIS PERIODIC PAYMENT RIDER is made this 25th day of OCTOBER, 1999, and is incorporated into and amends, modifies and supplements the Mortgage, Deed of Trust or Security Deed together with any riders or modifications thereto (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to Superior Bank FSB (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

7046 NORTHCOTE AVENUE, HAMMOND, IN 46324  
[Property Address]

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. PERIODIC PAYMENTS**

The Note provides for the Borrower's periodic loan payments as follows:

**3. PAYMENTS**

**(A) Time and Place of Payments**

I will pay principal and interest by making payments every 28 days (the "Periodic Payment(s)"), beginning on DECEMBER 01, 1999. I will make the Periodic Payments until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each of my regular Periodic Payments will be applied first to amounts due for any escrows for taxes and insurance under the Security Instrument, then to accrued and unpaid interest as if the payment is made on its due date, regardless of when the payment is actually received and the remainder, if any, to the unpaid principal balance. Any late charges, collection costs and expenses, dishonored check charges, prepayment charges and payments made by the Note Holder to enforce this Note and/or to protect the Note Holder's interests under the Security Instrument will be assessed separately. This does not take into account any payments for optional mortgage products that are charged to my account. If, on OCTOBER 03, 2029, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my payments at ONE RAMLAND ROAD, ORANGEBURG, NY 10962, or at a different place if required by the Note Holder.

**(B) Amount of My Periodic Payments**

Each of my Periodic Payments will be in the amount of U.S. \$ 389.51.

**(C) Borrower's Option to Defer Payments of Principal**

At the time this loan is closed, the Note Holder will provide me with 390 vouchers which may not be reproduced and are not transferable or assignable by me. At any time during the term of this loan, for up to 390 payment periods which need not be consecutive, AKMI

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if I am not in default, I may defer the principal portion of my Periodic Payment and pay the interest portion of my Periodic Payment, by submitting such interest amount along with a voucher. A payment of interest only is due on the same date as my scheduled Periodic Payment. The Note Holder may, but is not obligated to, provide additional vouchers to me.

The amount of my interest payments and the amount of principal deferred will be determined based on an amortization schedule and may vary depending on the number of vouchers I have used and when I have used the vouchers. In the event that I wish to use a voucher, I may contact the Note Holder (or my loan servicer) at any time during the term of this loan to determine the interest amount required and the principal amount to be deferred. The deferred principal, and any other amounts that I may owe under this Note, will be due in full on the maturity date.

**Payment Voucher Notice**

My use of the payment reduction vouchers will allow me to defer the principal portion of the payment for which I am using the voucher. If I use the vouchers, and depending on the number of vouchers I use, as well as when I use them, the final payment I will need to make under this Note will be my normally scheduled payment, assuming I have not been delinquent or otherwise in default, increased by the principal payments I elected to defer through the use of the vouchers. I understand that I am required to repay this entire amount due, at maturity.

**B. PERIODIC PAYMENT AMENDMENTS TO THE SECURITY INSTRUMENT**

The Security Instrument is amended as follows:

(1) The word "monthly" is changed to "periodic" in the Security Instrument wherever "monthly" appears.

(2) In the paragraph of the Security Instrument regarding an escrow account for "taxes and insurance," the word "twelve" is changed to "thirteen" in the next to last subparagraph.

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Periodic Payment Rider.

Christine M. Zisoff (Seal)  
CHRISTINE M ZISOFF

Michael E. Zisoff (Seal)  
MICHAEL E ZISOFF

Borrower

Borrower

Document is

(Seal)

(Seal)

NOT OFFICIAL!

Borrower

Borrower

This Document is the property of  
the Lake County Recorder!

(Seal)

(Seal)

Borrower

Borrower

PLEASE RECORD AND RETURN TO:  
SUPERIOR BANK FSB  
ONE RAMLAND ROAD  
ORANGEBURG, NY 10962  
ATTN: RECORDED DOCUMENTS DEPT.

STOP

PERIODIC PAYMENT RIDER  
FIXED RATE DEFERRED PRINCIPAL OPTION  
W/VOUCHERS (04/14/98)



PAGE 3 OF 3

LOAN ID: 5700249815  
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**ADDENDUM TO MORTGAGE/DEED OF TRUST/  
DEED TO SECURE DEBT/SECURITY DEED**

This ADDENDUM TO MORTGAGE/DEED OF TRUST/DEED TO SECURE DEBT/SECURITY DEED (also known as "Security Instrument") is made this 25<sup>TH</sup> day of OCTOBER, 1999, and is incorporated into and amends the Security Instrument of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") and any advances under the Security Instrument to SUPERIOR BANK FSB

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

7046 NORTHCOTE AVENUE, HAMMOND, IN 46324

(Property Address)

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further agree as follows:

1. The paragraph of the Security Instrument entitled, "Application of Borrower's Payments" or alternately "Application of Payments," is deleted in its entirety and the application of payments is governed by the Note.
2. The word "monthly" is changed to "periodic" in the Security Instrument wherever "monthly" appears.
3. Unless prohibited by applicable law, the paragraph of the Security Instrument entitled, "Acceleration; Remedies" or alternately "Lender's Rights if Borrower Fails to Keep Promises and Agreements," is supplemented by adding the following provisions:  
"Additionally, Lender may require immediate payment in full of the entire amount remaining unpaid under the Note and this Security Instrument, if:
  - (1) Borrower fails to keep any promise or covenant contained in the Note; or
  - (2) 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
  - (3) Any representation 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 respect; or
  - (4) Borrower allows the Property to be used in connection with any illegal activity."
4. Notwithstanding language to the contrary, if any, in the Security Instrument, Borrower agrees to pay, to the fullest extent not prohibited by applicable law, any fees imposed by Lender in connection with Lender's servicing of the loan evidenced by the Note, and any fees imposed by Lender's discharging or satisfying of this Security Instrument.

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5. For a loan secured by Iowa real property:

Language is added to the Security Instrument as follows:

**"NOTICE TO BORROWER**

**I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS MORTGAGE, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS MORTGAGED PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS MORTGAGE."**

6. The paragraph of the Security Instrument entitled, "Transfer of the Property or a Beneficial Interest in Borrower," is amended by changing the notice of default or acceleration to be at least 35 days if the loan is secured by a lien on real property in the State of Oklahoma.

7. For a loan secured by Kansas real property, if the Security Instrument is Form 3017, the last sentence in the paragraph entitled, "Acceleration; Remedies," is deleted and replaced with the following:

**"Lender shall be entitled to collect all reasonable expenses incurred in pursuing the remedies provided in this paragraph, including but not limited to, reasonable attorneys' fees, to the extent allowed by applicable law."**

In addition, the paragraph entitled, "Attorneys' Fees," is deleted in its entirety.

8. For a loan secured by Ohio real property, the following language is added after the legal description section of the Security Instrument:

**"This mortgage is given upon the statutory condition. "Statutory Condition" is defined in Section 5302.14 of the Revised Code and provides generally that if Borrower pays the indebtedness and performs the other obligations secured by this mortgage, pays all taxes and assessments, maintains insurance against fire and other hazards and does not commit or permit waste, then this mortgage will become null and void."**

9. For a loan secured by South Carolina real property, the second sentence of the paragraph of the Security Instrument entitled, "Waivers," is deleted.

10. The paragraph of the Security Instrument entitled, "Law That Governs This Security Instrument/Mortgage" or alternately "Governing Law; Severability," is amended by deleting the first sentence and replacing it with the following language:

**"This Security Instrument shall be governed by federal law and, to the extent not inconsistent with or more restrictive than federal law or regulation governing Lender, the laws of the jurisdiction in which the Property is located."**

11. A provision is added to the Security Instrument as follows:

**"Borrower hereby acknowledges receipt, without charge, of a true copy of this Security Instrument."**

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12. **Escrow Waiver**

If the box above has been checked, Lender waives the requirement for Borrower to make payment to Lender for the escrow items referred to in the paragraph of the Security Instrument entitled, "Funds/Monthly Payments for Taxes and Insurance." 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 payment.

Unless otherwise prohibited by applicable law, Lender reserves the right to require Borrower to make payment to Lender for the escrow items referred to in the paragraph of the Security Instrument entitled, "Funds/Monthly Payments for Taxes and Insurance," if Borrower defaults in the payment of such escrow items and such default is not cured within the time set forth in any notice sent to Borrower by Lender. Lender reserves such right even though Lender did not establish such escrow account as a condition to closing the loan. If Lender requires Borrower to make payments to Lender as provided herein, the provisions of the paragraph of the Security Instrument entitled, "Funds/Monthly Payments for Taxes and Insurance" will be in full force and effect.

13. In the paragraph of the Security Instrument regarding an escrow account for "taxes and insurance," the word "twelve" is changed to "thirteen" in the next to last subparagraph if my periodic payment under the Note is due every twenty-eight (28) days.

14. **Insurance Provisions are added to the Security Instrument as follows:**  
**"a. FORCE PLACED INSURANCE.** Unless otherwise prohibited by applicable law, if Borrower does not provide Lender with evidence of insurance coverage (for any type of insurance that is required by Lender), Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's Property. Such insurance may be purchased through an insurance agency or company affiliated with Lender, which agency or company may earn a commission paid by the insurer. This insurance may, but need not, protect Borrower's interests. The costs may be more than the cost of insurance that Borrower may be able to obtain directly because Lender will be purchasing insurance under a general policy that does not consider Borrower's individual insurance situation. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained the required insurance. If Lender purchases insurance for the Property, Borrower will be responsible for the costs of that insurance, including the insurance premium, interest at the rate provided by the terms of the Note and any other charges that the Lender or the insurer may impose in connection with the placement of the insurance (for example, a fee from the carrier for processing the force placed insurance), until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Borrower's total outstanding balance and secured by this Security Instrument

**b. EARTHQUAKE, FLOOD, WINDSTORM AND OTHER VOLUNTARY INSURANCE (ASSIGNMENT AND WAIVER OF INSURANCE PROCEEDS)** Unless otherwise prohibited by applicable law, or Borrower and Lender otherwise agree in writing, in addition to other provisions regarding insurance, Borrower agrees to cause any voluntary insurance policy (as hereafter defined) covering earthquake, flood, windstorm or any other hazards to the Property to name Lender as the loss payee thereof and to contain or be subject to a clause providing that the proceeds from any

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loss covered by any voluntary insurance policy shall be payable, absolutely and irrevocably, to Lender. For purposes of this Security Instrument, a "voluntary insurance policy" shall mean and shall include any insurance policy that covers earthquake, flood, windstorm or any other hazards to the Property but which is not required as a condition to the loan secured by the Security Instrument, and any amendment, endorsement or rider (or any other document by which such insurance coverage is established) to any fire and other insurance policy, which amendment, endorsement or rider (or such other document by which such insurance is established) covers earthquake, flood, windstorm or any other hazards to the Property, but which is not required as a condition to the loan secured by the Security Instrument, and regardless of whether any such insurance policy, amendment, endorsement, rider or other document is established before, on or after the date of this Security Instrument.

Borrower hereby absolutely and irrevocably assigns to Lender all of Borrower's right, title and interest in and to all proceeds from any voluntary insurance policy that are due, paid or payable with respect to any damage to the Property, regardless of whether the voluntary insurance policy is established before, on or after the date of this Security Instrument. By absolutely and irrevocably assigning to Lender all of the Borrower's rights to receive any and all proceeds from any voluntary insurance policy, Borrower hereby waives, to the full extent allowed by law, all of Borrower's rights to receive any and all of such insurance proceeds.

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.

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 Security Instrument."

15. A paragraph is added to the Security Instrument as follows:  
"Verification or reverification of the Property's valuation or any other information normally contained in an appraisal may be required as part of Lenders's ongoing quality control procedures. Borrower agrees to cooperate fully with Lender and/or its agents, successors or assigns in obtaining and completing a full appraisal in the future at Lender's sole option and expense."

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16. If the Security Instrument is assigned or transferred, all or a portion of this Addendum may be voided at the option of the assignee or transferee. Any terms and provisions of this Addendum which are voided will be governed by the original terms of the Security Instrument.

Christine M. Zisoff  
CHRISTINE M ZISOFF Borrower

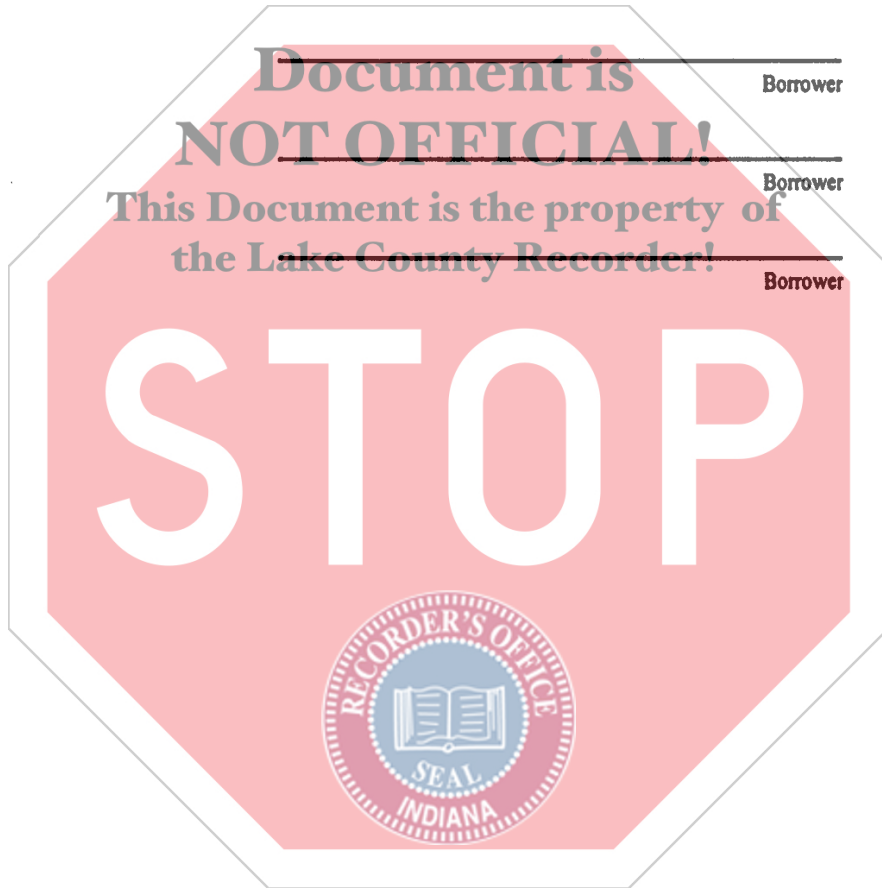
Michael E. Zisoff  
MICHAEL E ZISOFF Borrower

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**ADDITIONAL ADVANCE RIDER**

ACCOUNT #: 5700249815

**Document is NOT OFFICIAL!**

THIS ADDITIONAL ADVANCE RIDER is made this 25th day of OCTOBER 1999, and is incorporated into and amends and supplements the Mortgage, Deed of Trust or Security Deed, together with any riders or modifications thereto (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note, together with any riders or modifications thereto (the "Note") to

Superior Bank FSB (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 7046 NORTHCOTE AVENUE, HAMMOND, IN 46324 (Property Address)

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADDITIONAL ADVANCE SUBJECT TO THE SECURITY INSTRUMENT.**

The Security Instrument shall also secure to Lender the payment of an additional advance in the form of a "Buydown Fee", in the amount of \$ 2,439.07, as such term is defined, and under the terms and conditions set forth, in the Interest Rate Buydown Agreement and Buydown Note of the same date, given by Borrower to Lender.

**B. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained herein.

Christine M. Zisoff (Seal)      Michael E. Zisoff (Seal)  
CHRISTINE M ZISOFF      MICHAEL E ZISOFF

Borrower

Borrower

Document is  
**NOT OFFICIAL!**

(Seal)

(Seal)

This Document is the property of  
the Lake County Recorder!

Borrower

Borrower

(Seal)

(Seal)

Borrower

Borrower

PLEASE RECORD AND RETURN TO:  
SUPERIOR BANK FSB  
ONE RAMLAND ROAD  
ORANGEBURG, NY 10962  
ATTN: RECORDED DOCUMENTS DEPT.

ADDITIONAL ADVANCE RIDER - (8/3/99)  
UNIVERSAL/SAM



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