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11.00 E.P.

Please Return To:
Associates Home Equity Services, Inc.

3113 Skyway Circle North
Irving, TX 75038
Attn: Document Follow-Up Dept.

REAL ESTATE MORTGAGE

This mortgage made on August 17, 2000 between JOI L. WATSON, a widow

hereinafter referred to as MORTGAGOR(S), and Associates Home Equity Services, Inc.
whose address is 14415 S. 50th Street, Suite 100, Phoenix, AZ 85044
referred to as MORTGAGEE.

WITNESSETH: Mortgagor(s) jointly and severally grants, bargains, sells, conveys and mortgages to Mortgagee, its successors and assigns, the real property hereinafter described, as security for the payment of a Note of even date herewith in the amount of \$ 30,669.06, together with interest as provided in the Note which has a final payment date of September 1, 2030

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 Mortgagor(s) hereby covenants that Mortgagor(s) is seised of good and perfect title to said property in fee simple and has authority to convey the same, that the title so conveyed is clear, free and unencumbered except as hereinafter appears, and that Mortgagor(s) will forever warrant and defend the same unto Mortgagee against all claims whatsoever except those prior encumbrances, if any, hereinafter shown.

If Mortgagor(s) 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.

MORTGAGOR(S) AGREES: 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, and if Mortgagor(s) fails to do so, it hereby authorizes Mortgagee to insure or renew insurance on said property in a sum not exceeding the amount of the indebtedness of Mortgagor(s) for a period not exceeding the term of such indebtedness and to charge Mortgagor(s) with the premium thereon, or to add such premium to the indebtedness of Mortgagor(s). If Mortgagee elects to waive such insurance Mortgagor(s) agrees to be fully responsible for damage or loss resulting from any cause whatsoever. Mortgagor(s) agrees that any sums advanced or expended by Mortgagee for the protection or preservation of the property shall be repaid upon demand and if not so paid shall be secured hereby. Mortgagor(s) further agrees: 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. If Mortgagor(s) fails to make any of the foregoing payments, it hereby authorizes Mortgagee to pay the same on its behalf, and to charge Mortgagor(s) with the amount so paid, adding the same to the indebtedness of Mortgagor(s) secured hereby. 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 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 Mortgagor(s) 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 seised, or if any of the representations, warranties or statements of Mortgagor(s) herein contained be incorrect or if the Mortgagor(s) 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. Mortgagor(s) 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, Mortgagor(s) will pay to the Mortgagee, in addition to taxable costs and a reasonable fee for the search made and preparation for such foreclosure, 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.

No failure on the part of Mortgagee to exercise any of its rights hereunder for defaults 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 no delay on the part of Mortgagee in exercising any of such rights 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 at its option.

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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:

LOT 15 IN BLOCK 11, TARRYTOWN SECOND SUBDIVISION IN THE CITY OF GARY, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 30 PAGE 86 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA. AS DESCRIBED IN INSTRUMENT #92-047798, RECORDED 07/27/92.

also known as: 4120 WEST 22ND PLAZA, GARY, IN 46404

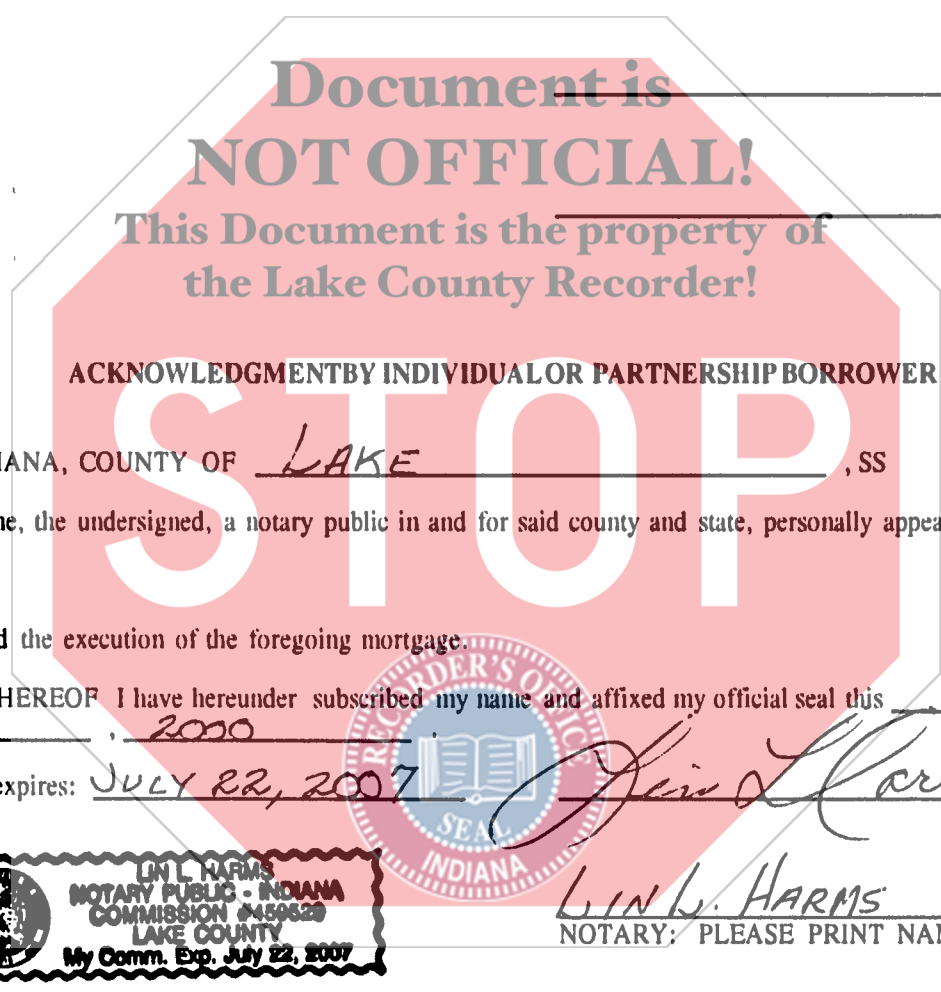
IN WITNESS WHEREOF Mortgagor(s) has executed this mortgage on the day above shown.

Joi L. Watson 8/17/00
JOI L. WATSON (Mortgagor)

(Mortgagor)

(Mortgagor)

(Mortgagor)



ACKNOWLEDGMENT BY INDIVIDUAL OR PARTNERSHIP BORROWER

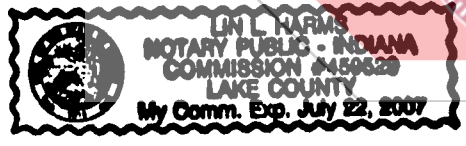
STATE OF INDIANA, COUNTY OF LAKE, SS

Before me, the undersigned, a notary public in and for said county and state, personally appeared JOI L. WATSON

and acknowledged the execution of the foregoing mortgage.

IN WITNESS WHEREOF I have hereunder subscribed my name and affixed my official seal this 17th day of AUGUST, 2000

My commission expires: JULY 22, 2007
Lin L. Harms
NOTARY PUBLIC



Lin L. Harms LAKE
NOTARY: PLEASE PRINT NAME AND COUNTY

This instrument was prepared by William H. Peirson, 4400 Alpha Road, Dallas, TX 75244