

S. C. L. I. C. O. R. E.  
LAW OFFICES OF  
FREDERICK J. COOPER, JR.

2002 JAN 15 PM 10:10

HURON W. CARTER  
RECORDER62-18216 Pg

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## MORTGAGE

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated .....JANUARY 4, 2002....., together with all Riders to this document.

(B) "Borrower" is .....ROBERT J. BALCZO, AN INDIVIDUAL.....

Borrower is the mortgagor under this Security Instrument.

(C) "Lender" is .....LAKE FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND.....  
Lender is a .....SAVINGS AND LOAN..... organized and existing under the laws of  
THE UNITED STATES OF AMERICA..... Lender's address is  
7048 KENNEDY AVE., HAMMOND, INDIANA 46323

Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated .....JANUARY 4, 2002.....

The Note states that Borrower owes Lender ...EIGHTY THREE THOUSAND AND NO/100.....

..... Dollars (U.S. \$ 83,000.00) plus interest. Borrower has  
promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than  
FEBRUARY 1, 2032

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due  
under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are  
to be executed by Borrower [check box as applicable]:

Adjustable Rate Rider  
 Balloon Rider  
 1-4 Family Rider

Condominium Rider  
 Planned Unit Development Rider  
 Biweekly Payment Rider  
 Second Home Rider  
 Other(s) [specify] .....

INDIANA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Bankers Systems, Inc., St. Cloud, MN Form MD-1-IN 8/17/2000  
ref: 1/2001

(page 1 of 11 pages)

Form 3015 1/01



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the right to mortgagee, grant and convey the Property and that the Property is unencumbered, except for  
BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has

"Property," covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the  
appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be  
TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements,

[City] HIGHLAND ..... [Zip Code] 46322 ..... ("Property Address");  
[Street] 3936 WIRTH ROAD  
which currently has the address of

THE WEST LINE OF SAID LOT 8 A DISTANCE OF 120.12 FEET TO THE POINT OF BEGINNING,  
SAID LOT 8 A DISTANCE OF 26.50 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE NORTH ALONG  
CORNER THEREOF AS MEASURED ALONG SAID SOUTH LOT LINE, THENCE WEST ALONG THE SOUTH LINE OF  
A POINT WHICH IS ON THE SOUTH LINE OF SAID LOT 8 AND 26.50 FEET EAST OF THE SOUTHWEST  
LINE OF SAID LOT 8 A DISTANCE OF 29.77 FEET; THENCE SOUTH A DISTANCE OF 120.02 FEET TO  
DESCRIBED AS BEGGINING AT THE NORTHWEST CORNER THEREOF; THENCE EAST ALONG THE NORTH  
RECORDED IN PLAT BOOK 42 PAGE 18, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA,  
THAT PART OF LOT 8 IN BAKER'S ADDITION TO THE TOWN OF HIGHLAND, AS PER PLAT THEREOF,

TRANSFER OF RIGHTS IN THE PROPERTY ..... [Name of Recording Jurisdiction]  
COUNTRY of LAKE ..... [Type of Recording Jurisdiction]  
Lender and Lender's successors and assigns the following described property located in the  
Security instrument and the Note, and (ii) the performance of Borrower does hereby mortgage, grant and convey to  
and modifications of the Note, and (iii) the repayment of the Loan and all renewals, extensions  
This Security instrument secures to Lender (i) the principal of the Loan, and all renewals, extensions  
(P) "Successor in Interest of Borrower," means any party that has taken title to the Property, whether or not that  
party has assumed Borrower's obligations under the Note and/or this Security Instrument.  
even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.  
"RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan"  
successor legislation or regulation that governs the same subject matter. As used in this Security Instrument,  
regulation, Regulation X (24 CFR, Part 3500), as they might be amended from time to time, or any additional or  
(O) "RESPA," means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing  
plus (ii) any amounts under Section 3 of this Security Instrument.  
Loan, (N) "Periodic Payment," means the regularly scheduled amount due for (i) principal and interest under the Note,  
Property. (M) "Mortgage Insurance," means insurance protecting Lender against the nonpayment of, or default on, the  
in lieu of condominium; or (iv) misrepresentation of, or omission as to, the value and/or condition of the  
desuetude party (other than insurance paid under the coverage described in Section 5) for: (i) damage to, or  
(L) "Miscellaneous Proceeds," means any compensation, settlement, award of damages, or proceeds paid by any  
telephone, write transfers, and automated clearinghouse transfers.

(J) "Electronic Funds Transfer," means any transfer of funds, other than a transaction originated by similar  
that are imposed on Borrower or the Property by a condominium association, homeowners associations, or similar  
organizations, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by  
magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account, computer, or  
similar paper instrument, which is initiated through an electronic terminal, telephone, instrument, or similar  
organization, which is initiated through a telephone, instrument, or similar paper instrument, or similar  
(I) "Community Association Dues, Fees, and Assessments," means all dues, fees, assessments and other charges  
(H) "Applicable Law," means all controlling applicable federal, state and local statutes, regulations, ordinances and  
administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial

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.

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

**1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to

**5. Property Insurance** Borrower shall keep the improvements now existing or hereafter erected on the service used by Lender in connection with this Loan.

Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentence can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remapping occurs similar changes which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency for the review of any flood zone determination resulting from an observation by Borrower.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting.

Borrower shall prominently disclose 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, but only so long as Borrower is performing such agreements; (b) consents the lien in good faith by, or defers against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) executes 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 can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which such notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any funds held by Lender.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA. It shall notify Borrower as required by RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall pay to Borrower the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments.

LeNDER RECEIPTS EVIDENCING SUCH PAYMENT WITHIN SUCH TIME PERIOD AS LEENDER MAY REQUEST. BORROWER'S OBLIGATION TO MAKE SUCH PAYMENTS AND TO PROVIDE RECEIPTS SHALL FOR ALL PURPOSES BE DEEMED TO BE A COVENANT AND AGREEMENT CONTAINED IN THIS SECURITY INSTRUMENT, AS THE PHRASE "COVENANT AND AGREEMENT" IS USED IN SECTION 9. IF BORROWER IS OBLIGATED TO PAY ESCROW ITEMS DIRECTLY, PURSUANT TO A WAIVER, AND BORROWER FAILS TO PAY THE AMOUNT DUE FOR AN ESCROW ITEM, LEENDER MAY EXERCISE ITS RIGHTS UNDER SECTION 9 AND PAY SUCH AMOUNT AND BORROWER SHALL THEN BE OBLIGATED UNDER SECTION 9 TO REPAY TO LEENDER ANY SUCH AMOUNT. LEENDER MAY REVOKE THE WAIVER AS TO ANY OR ALL ESCROW ITEMS AT ANY TIME BY A NOTICE GIVEN IN ACCORDANCE WITH SECTION 15 AND, UPON SUCH REVOCATION, BORROWER SHALL PAY TO LEENDER ALL FUNDS, AND IN SUCH AMOUNTS, THAT ARE THEN REQUIRED UNDER THIS SECTION 3.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

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, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. 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 the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** 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 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.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

INDIANA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance. Mortgagee insures their total risk on all such insurance in force from time to time, and enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements that are satisfactory to the mortgagee insurer and the other party (or parties) to these terms and conditions that are satisfactory to the mortgagee insurer using any source of funds that the mortgagee insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

**10. Mortgagor Insurance.** If Lender requires Mortgagor to maintain insurance as a condition of making the Loan, Borrower

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attach priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, and rights under this Security Instrument, includable or appropriate to protect Lender's interest in the Property and pay for whatever is reasonable and/or assessable the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appealing in court; and (c) paying reasonable attorney fees to protect its interest in the Property and/or rights under this Security Instrument, includable position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering into the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building of other code violations or dangerous conditions, and have utilities turned off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to,

insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has—if any—with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous 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 Opposing Party (as defined in the next sentence) offers to make an award to 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 Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. 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 Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of

**INDIANA—Single Family—Family Member Mac UNIFORM INSTRUMENT***RJS*

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument. "Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means sole discretion without any obligation to take any action.

As used in this Security Instrument: (a) words in the masculine gender shall mean and include corresponding words of the feminine gender; (b) words of the singular mean and include plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

Neutral words of words of the Security Instrument: (a) words of the Security Instrument shall mean and include corresponding words of the Security Instrument.

Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security

Instrument as a prohibition against any provision of contract. In the event that any provision of this Security instrument is a provision to agree by contact or in writing that be silent, but such silence shall not be explicitly or implicitly allow the parties to agree by contact or in writing that be silent, but such silence shall not be explicitly or implicitly subject to any requirements and limitations of Applicable Law. Applicable Law might

Federal law and the law of the state in which the Property is located. All rights and obligations contained in this

Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might

deemed unless Lender has designated another address by notice to Borrower. Any notice in connection with this

Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If

any notice to Lender shall be given by mailing it or by first class mail to Lender at the address specified in the

Security Instrument. There may be only one designated notice address under this Security Instrument at

any one time. Any notice to Lender shall be given by deliverying it or by mailing it to Lender's address specified in the

Security Instrument. Notice of change of address shall promptly notify Lender of Borrower's change of address. If Lender

receives a procedure for reporting changes of address, then Borrower shall report a change of address to Lender

otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice

means. Notice to any one Borrower shall consistute notice to all Borrowers unless Applicable Law expressly requires

Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other

writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to

Lender or Lender may be satisfied by Borrower in connection with this Security Instrument with respect to the payment of such overcharge.

If a refund made by Borrower will constitute a waiver of any right of action Borrower might have such refund made by Borrower or not a payment charge is provided for under the Note). Borrower's acceptance of

prepayment charge (whether or not a reduction by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund made by reducing the principal owed under the Note or by making a direct payment to Lender may choose to make this refund by reducing the amount borrowed by the amount necessary to reduce the charge to the permitted limit; then: (a) any such loan charge shall be reduced or to be collected in connection with the loan exceeded the permitted limit;

the interest or other loans charged shall be reduced by the amount necessary to reduce the charge to the permitted limit;

and (b) any sums already collected from Borrower which exceed permitted limits will be refunded to Borrower.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that

by this Security Instrument or by Applicable Law.

any such refund made by Borrower will constitute a waiver of any right of action Borrower might

have such refund made by Borrower or not a payment charge of such fee. Lender may not charge fees that are expressly prohibited

constituted as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited

the absence of express authority in this Security Instrument and valuation fees. In regard to any other fees,

including, but not limited to, attorney's fees, property inspection and valuation fees. In regard to any other fees,

default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument,

subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's

obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's

rights and benefits under this Security Instrument. Borrower agrees to such release in writing. The covenants and

agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors

and assigns of Lender.

that Lender and any other Borrower can agree to extend, modify, forgive or make any accommodations with

Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees

only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security

this Security Instrument but does not execute the Note (a "co-signer"). (a) is co-signing this Security Instrument

agrees that Borrower's ability shall be joint and several. However, any Borrower who co-signs

the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than

Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's

Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of

Borrower or to refuse to extend time for payment otherwise modify amortization of the sums secured by this

Instrument by exercise of any right or remedy including, without limitation, Lender's

transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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 given in accordance with Section 15 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.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) 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, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and 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 Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might 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 which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

-Borrower.....  
.....(Seal)

-Borrower.....  
ROBERT J. BALCOZ  
.....(Seal)

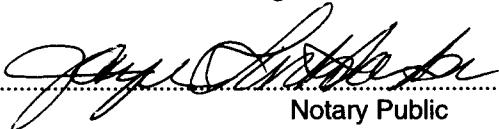
Instrument and in any Rider executed by Borrower and recorded with it.  
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security

Instrument and in any Rider executed by Borrower and recorded with it.  
24. Waiver of Valuation and Appraisement. Borrower waives all right of valuation and appraisement.  
third party for services rendered and the charging of the fee is permitted under Applicable Law.  
Instrument, Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a  
23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security  
Instrument of all sums secured by this Security Instrument, but only if the fee is paid to a  
Section 22, including, but not limited to, reasonable attorney's fees and costs of title evidence.  
proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this  
this Security Instrument without further demand and may foreclose this Security Instrument by judicial  
date specified in the notice, Lender at its option may require payment in full of all sums secured by  
or any other defense of Borrower to accelerate and foreclose. If the default is not cured or before the  
remitsate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default  
by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to  
specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure  
Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date  
action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to  
under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the  
Borrower's breach of any covenant or agreement to Borrower prior to acceleration following  
22. Acceleration; Remedies. Lender further agrees as follows:  
NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other  
action by any government agency or private party involving the Property and any Hazardous Substances  
Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition,  
but not limited to, hazardous substances in consumer products.  
Borrower shall promptly give Lender written notice of the Property (including,  
generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including,  
not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are  
creates a condition that adversely affects the value of the Property. The proceeding two sentences shall  
Substance, creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous  
allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b)  
Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor  
Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous

[Space Below This Line For Acknowledgment]

STATE OF INDIANA, .....LAKE..... County ss:  
Before me, JOYCE GURTATOWSKI, a Notary Public this 4TH.....  
day of JANUARY, 2002, ROBERT J. BALCZO, AN INDIVIDUAL.....  
acknowledged the execution of the annexed mortgage.  
WITNESS my hand and official seal.



Notary Public

My commission expires: 03-19-2008

JOYCE GURTATOWSKI  
Type or Print Name

Resident of .....LAKE..... County, Indiana  
This instrument was prepared by:

GERALD R. SKRABALA, PRESIDENT

**NOT OFFICIAL!**

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the Lake County Recorder!

**STOP**



INDIANA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Bankers Systems, Inc., St. Cloud, MN Form MD-1-IN 8/17/2000

Form 3015 1/01

(page 11 of 11 pages)

RJB

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## ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this .....4TH..... day of ....JANUARY,...2002 ..... and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to ..... LAKE FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND.....

..... ("Lender") of the same date and covering the property described in the Security Instrument and located at: ..... 3936 WIRTH ROAD, HIGHLAND, INDIANA 46322.....  
(Property Address)

**NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.**

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

**A. INTEREST RATE AND PERIODIC PAYMENT CHANGES**

The Note provides for an initial interest rate of .....6.00.....%. The Note provides for changes in the interest rate and the payments, as follows:

**3. PAYMENTS**

**(A) Periodic Payments**

I will pay principal and interest by making periodic payments when scheduled: (mark one):

I will make my periodic payments on the first day of each month beginning on .....

.....MARCH 1, 2002.....

I will make my periodic payments as follows:

**MULTISTATE ADJUSTABLE RATE RIDER**  
Bankers Systems, Inc., St. Cloud, MN Form ARLR 3/8/2000  
ref: ADJ-NOTE



(page 1 of 3 pages)

RJB

*RDB*

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

before each Change Date is called the "Current Index".

The most recent Index figure available as of the date  45 days

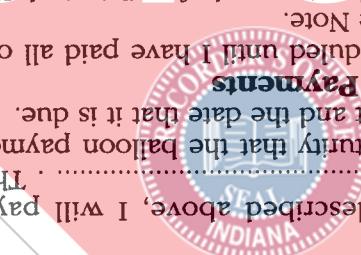
Index" is:  
Beginning with the first Change Date, my interest rate will be based on an Index. The

- (B) **The Index**
- The interest rate I will pay may change  FEBRUARY 1, 2009  
and on that day every  month thereafter.
  - The interest rate I will pay may change on the first day of  FEBRUARY 1ST..... thereafter.
  - Each date on which my interest rate could change is called a "Change Date." (Mark one)

#### 4. INTEREST RATE AND PERIODIC PAYMENT CHANGES

Changes in my periodic payment will reflect changes in the unpaid principal of my loan and in the interest rate that must pay. The Note Holder will determine my new interest rate and the changed amount of my periodic payment in accordance with Section 4 of the Note.

- (D) **Periodic Payment Changes**
- This amount may change.  
Each of my initial periodic payments will be in the amount of U.S. \$ 497.63.
  - I will make my periodic payments at ..... 7048 KENNEDY AVE., HAMMOND, INDIANA 46323  
full on that date, which is called the "Maturity Date".  
My periodic payments will be applied to interest before Principal. It, on..... FEBRUARY 1, 2032.  
I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described in the Note.
  - (B) **Maturity Date and Place of Payments**  
state the balloon payment amount and the date that it is due.  
or mail to me notice prior to maturity that the balloon payment is due. This notice will state the balloon payment amount and the date that it is due.  
\$ ..... on ..... The Note Holder will deliver
  - In addition to the payments described above, I will pay a "balloon payment" of



### **(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by .....TWO..AND..ONE..HALF..... percentage points (.....2.50.....%) to the Current Index. The result of this calculation:

- will not be rounded off.
- will be rounded off by the Note Holder to the nearest ....0.125.....%.
- will be rounded off by the Note Holder up to the nearest .....%.
- will be rounded off by the Note Holder down to the nearest .....%.

Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the periodic payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my periodic payment.

### **(D) Limits on Interest Rate Changes**

- My interest rate will never be increased or decreased on any single Change Date by more than .....TWO..... percentage points from the rate of interest I have been paying for the preceding period.
- My interest rate will never be greater than .....12.0.....% or less than .....6.0.....%.

### **(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new periodic payment beginning on the first periodic payment date after the Change Date until the amount of my periodic payment changes again.

### **(F) Notice of Changes**

At least 25 days, but no more than 120 days, before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my periodic payment. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

### **B. FUNDS FOR TAXES AND INSURANCE**

Uniform Covenant 3 of the Security Instrument is waived by the Lender.

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

  
ROBERT J. BALCZO  


(Seal)  
-Borrower

(Seal)  
-Borrower

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NOT OFFICIAL!**

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the Lake County Recorder!

**STOP**



## **1-4 FAMILY RIDER (Assignment of Rents)**

THIS 1-4 FAMILY RIDER is made this .....4TH..... day of .....JANUARY,..2002....., and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to .....LAKE FEDERAL SAVINGS AND LOAN.....  
.....ASSOCIATION OF HAMMOND.....  
(the "Lender") of the same date and covering the Property described in the Security Instrument and located at: .....3936 WIRTH ROAD, HIGHLAND, INDIANA 46322.....  
[Property Address]

**1-4 FAMILY COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT.** In addition to the Property described in Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

**B. USE OF PROPERTY; COMPLIANCE WITH LAW.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

**C. SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

**D. RENT LOSS INSURANCE.** Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 5.

**E. "BORROWER'S RIGHT TO REINSTATE" DELETED.** Section 19 is deleted.

**F. BORROWER'S OCCUPANCY.** Unless Lender and Borrower otherwise agree in writing, Section 6 concerning Borrower's occupancy of the Property is deleted.

**G. ASSIGNMENT OF LEASES.** Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

**H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable.

Form 3170 1/01



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(page 1 of 2 pages) RJS

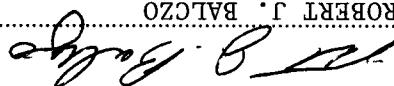
MULTISTATE 1-4 FAMILY RIDER—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Bankers Systems, Inc., St. Cloud, MN Form 1-4 FAM-R 8/29/2000

-Borrower  
.....  
(Seal)

-Borrower  
.....  
(Seal)

ROBERT J. BALCZO



I-4 Family Rider.  
BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this instrument.

invoke any of the remedies permitted by the Security Instrument.

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.

**I. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note or agreement by the Security Instrument are paid in full.

Lender. This assignment of Rents of the Property shall terminate when all the sums secured remedy of Lender. Any application of Rents of the Property shall not cure or waive any default or occurs. Any agent or a judicially appointed receiver, may do so at any time when a default Lender, or Lender's agents or a judicially appointed receiver, may do so after giving notice of default to Borrower. However, take control of or maintain the Property before or after giving notice of default to Borrower. Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, exercising its rights under this paragraph.

Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents of the Property to Lender secured by the Security Instrument pursuant to Section 9.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the property and of collecting the Rents any funds expended by Lender for such purposes shall become imbeddedness of Borrower to Lender secured by the Security Instrument as security.

If the Rents of the Property as to the imbeddedness of the Property as security without any showing as to the imbeddedness of the Property as security.

If the Rents of the Property and manage the Property and collect the Rents and profits derived from the Property take only those Rents or any agent or a judicially appointed receiver shall be liable to account for only the Rents accrued; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property taxes, assessments and other charges on the Property, and then to the sums secured by the Security fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, control of and managing the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agent shall be entitled to collect and receive all of the Rents of the Security instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Security instrument; (iii) Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security instrument; (ii) Lender gives notice of default to Borrower; (i) all Rents received by Borrower shall be held by Lender for additional security only.

Borrower authorizes Lender to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents to collect the Rents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.