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FIRST HOME/PLUS INDIANA HOUSING FINANCE AUTHORITY SECOND REAL ESTATE MORTGAGE

62-21047

THIS INSTRUMENT ("Mortgage") WITNESSES: That the undersigned, jointly and severally, ("Mortgagors") of the State of Indiana, hereby MORTGAGE and WARRANT to INDIANA HOUSING FINANCE AUTHORITY ("Mortgagee"), the real estate and improvements ("Real Estate") located in Lake County, State of Indiana, more particularly described in Exhibit A, attached hereto and made a part hereof, together with all rights, privileges, interests, easements, hereditaments, appurtenances, fixtures and improvements now or hereafter belonging, appertaining, attached to, or used in connection with, the Real Estate, and all the rents, issues, income and profits thereof (collectively, the "Mortgaged Property").

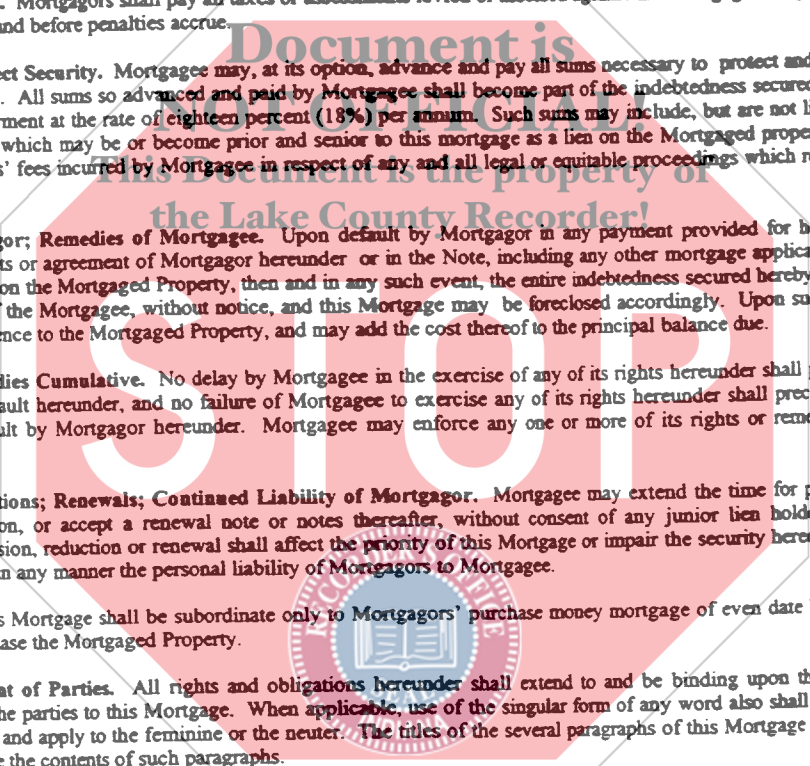
This Mortgage is given to secure performance of the provisions hereof and to secure payment of a certain promissory note (the "Note") of even date herewith, executed and delivered by Mortgagors.

Mortgagors jointly and severally, covenant with Mortgagee as follows:

1. **Payment of Sums Due.** Mortgagors shall pay when due all indebtedness secured by this Mortgage, on the dates and in the amounts, respectively, as provided in the Note or in this Mortgage, as when the payment(s) thereof become due, all without relief from valuation and appraisal laws and with attorneys' fees.
2. **No Liens.** Mortgagors shall not permit any lien of mechanics or materialmen to attach to and remain on the Mortgaged Property or any part thereof for more than 45 days after receiving notice thereof from Mortgagee.
3. **Repair of Mortgaged Premises; Insurance.** Mortgagors shall keep the Mortgaged Property in good repair and shall not commit waste thereon. Mortgagors shall procure and maintain in effect at all times adequate insurance in insurance companies acceptable to Mortgagee against loss, damage to, or destruction of the Mortgaged Property because of fire, windstorm or other such hazards in such amounts as Mortgagee may reasonably require from time to time, and all such insurance policies shall contain property clauses making all proceeds of such policies payable to Mortgagee and Mortgagors as their respective interests may appear. Upon request, all such policies of insurance shall be delivered to and retained by the Mortgagee until indebtedness secured hereby is fully paid.
4. **Taxes and Assessments.** Mortgagors shall pay all taxes or assessments levied or assessed against the Mortgaged Property, or any part thereof, as and when the same become due and before penalties accrue.
5. **Advancement to Protect Security.** Mortgagee may, at its option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Mortgage. All sums so advanced and paid by Mortgagee shall become part of the indebtedness secured hereby and shall bear interest from the date or dates of payment at the rate of eighteen percent (18%) per annum. Such sums may include, but are not limited to, insurance premiums, taxes, assessments and liens which may be or become prior and senior to this mortgage as a lien on the Mortgaged property, or any part thereof, and all costs, expenses and attorneys' fees incurred by Mortgagee in respect of any and all legal or equitable proceedings which relate to this Mortgage or to the Mortgaged Property.
6. **Default by Mortgagor; Remedies of Mortgagee.** Upon default by Mortgagor in any payment provided for herein or in the Note, or in the performance of any covenants or agreement of Mortgagor hereunder or in the Note, including any other mortgage applicable to the Mortgaged Property, or if Mortgagors shall abandon the Mortgaged Property, then and in any such event, the entire indebtedness secured hereby shall become immediately due and payable at the option of the Mortgagee, without notice, and this Mortgage may be foreclosed accordingly. Upon such foreclosure, Mortgagee may obtain appropriate title evidence to the Mortgaged Property, and may add the cost thereof to the principal balance due.
7. **Non-Waiver; Remedies Cumulative.** No delay by Mortgagee in the exercise of any of its rights hereunder shall preclude the exercise thereof so long as Mortgagor is in default hereunder, and no failure of Mortgagee to exercise any of its rights hereunder shall preclude the exercise thereof in the event of a subsequent default by Mortgagor hereunder. Mortgagee may enforce any one or more of its rights or remedies hereunder successively or concurrently.
8. **Extensions; Reductions; Renewals; Continued Liability of Mortgagor.** Mortgagee may extend the time for payment of the indebtedness, or reduce the payments thereon, or accept a renewal note or notes thereafter, without consent of any junior lien holder, and without the consent of Mortgagors, no such extension, reduction or renewal shall affect the priority of this Mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of Mortgagors to Mortgagee.
9. **Subordination.** This Mortgage shall be subordinate only to Mortgagors' purchase money mortgage of even date herewith, the proceeds of which being utilized only to purchase the Mortgaged Property.
10. **General Agreement of Parties.** All rights and obligations hereunder shall extend to and be binding upon the several heirs, representatives, successors and assigns of the parties to this Mortgage. When applicable, use of the singular form of any word also shall mean or apply to the plural and masculine form shall mean and apply to the feminine or the neuter. The titles of the several paragraphs of this Mortgage are for convenience only and do not define, limit or construe the contents of such paragraphs.

If the Mortgaged property is refinanced, sold or otherwise transferred by the undersigned, or if the Mortgaged Property is ever held or used by Mortgagors for the purpose of something other than their principal place of residence, then, notwithstanding the foregoing, any and all amounts outstanding and due immediately to Mortgagee under the Note, shall be due and payable to Mortgagee upon such occurrence.

Chicago Title Insurance Company



INSTRUCTION

BD
2400
CT

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage this 28TH day of MARCH, 2002.

Mortgagor:

Signature Kelly A. Sheridan

Printed KELLY A. SHERIDAN

Signature _____

Printed _____

STATE OF INDIANA)

COUNTY OF LAKE)

) SS:

Before me, a Notary Public in and for said County and State, personally appeared KELLY SHERIDAN who, being first duly sworn, acknowledged execution of the foregoing Mortgage.

Witness my hand and Notarial Seal this 28TH day of MARCH, 2002.

My Commission Expires:

12-28-06

Signature Brenda Sohovich
Notary Public

My County of Residence:

PORTER

BRENDA SOHOVICH
Printed Name

This instrument prepared by: _____

Return recorded document to:

Indiana Housing Finance Authority
115 West Washington Street
South Tower, Suite 1350
Indianapolis, IN 46204



INDIANA HOUSING FINANCE AUTHORITY UNIFORM MORTGAGE RIDER

The rights and obligations of the parties set forth in the Mortgage to which this Rider is attached (and into which these terms are incorporated) and the Note which it secures are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Mortgage or Note, the provisions of this Rider shall control. To the extent such provisions are not modified by this Rider, all terms, conditions and other provisions of the Mortgage and Note remain in full force and effect.

The Borrower agrees that the Lender (as provided in the Mortgage), the Indiana Housing Finance Authority (the "Authority") or its assignee may, at any time and without prior notice, accelerate all payments due under the Mortgage and Note and exercise any and all remedies allowed by law for breach of the Mortgage or Note if:

- (a) The Borrower sells, rents, otherwise transfers any interest in the property or permits or attempts to permit the Mortgage to be assumed; or
- (b) The Borrower fails to occupy the residence as his or her permanent and principal residence; or
- (c) The Borrower fails to abide by any agreement made with the Authority, Lender or Servicer; or
- (d) The Lender or the Authority finds or believes any statement contained in the Affidavit of the Borrower or any other document executed by the Borrower to be untrue, inaccurate or incomplete; or
- (e) The Borrower fails to promptly supply any information or document which the Lender, Servicer, or the Authority may request to verify compliance with the conditions of the Authority's Program pursuant to which the Mortgage was provided.

NOTICE TO THE BORROWER:

THIS DOCUMENT SUBSTANTIALLY MODIFIES THE TERMS OF THIS LOAN. DO NOT SIGN IT UNLESS YOU HAVE READ AND UNDERSTOOD IT.

**FIRST HOME/PLUS
INDIANA HOUSING FINANCE AUTHORITY
PROMISSORY NOTE**

Borrower's Name(s): Kelly A Sheridan

Property Address: 2165 Hart Rd Dyer In 46311
(the "Property")

This is the Agreement that covers your loan from the INDIANA HOUSING FINANCE AUTHORITY ("IHFA") for the money borrowed pursuant to the FIRST HOME/PLUS Single Family Mortgage Loan Program. If you agree to be bound by these promises in this Agreement, sign your name below. If more than one person signs, each will be responsible for repaying the loan in full.

We use the words you and your to mean the Borrower and anyone else who signs the Agreement. We, us, and our, refer to IHFA and its assigns.

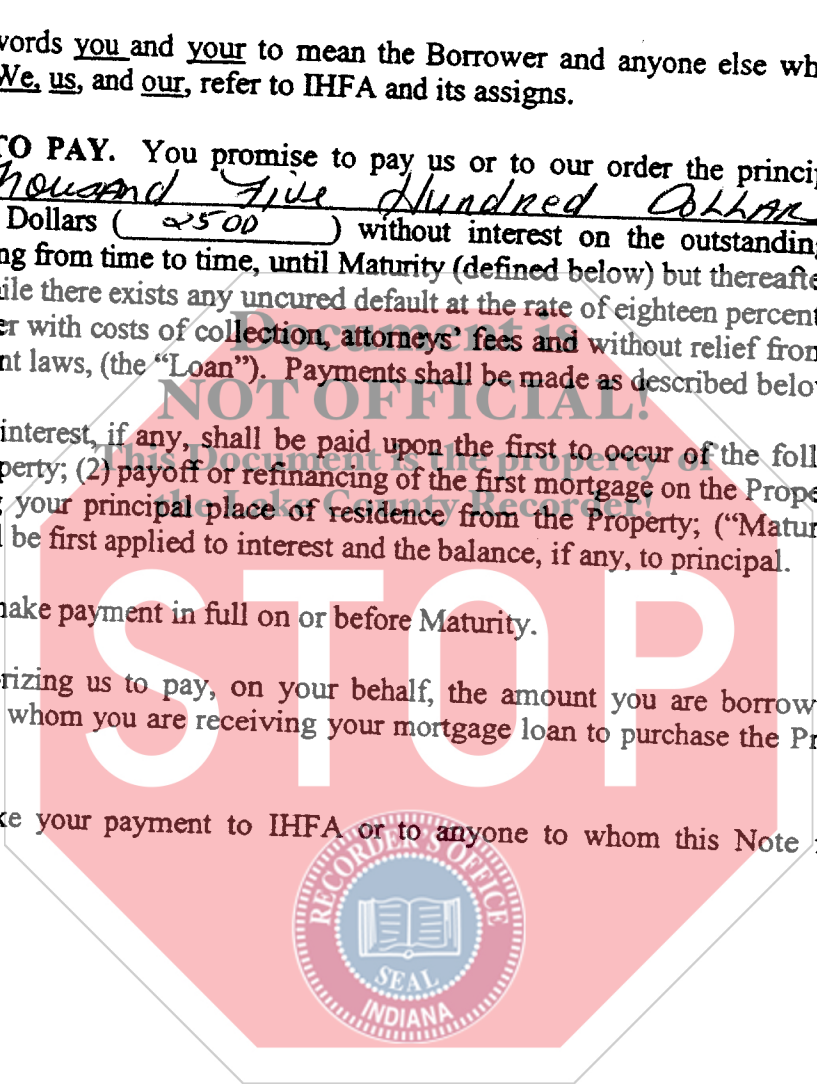
PROMISE TO PAY. You promise to pay us or to our order the principal sum of Two thousand Five Hundred Dollars and 50 /100 Dollars (2500) without interest on the outstanding principal balance existing from time to time, until Maturity (defined below) but thereafter or during any period while there exists any uncured default at the rate of eighteen percent (18%) per annum together with costs of collection, attorneys' fees and without relief from valuation or appraisal laws, (the "Loan"). Payments shall be made as described below.

Principal and interest, if any, shall be paid upon the first to occur of the following: (1) sale of the property; (2) payoff or refinancing of the first mortgage on the Property; or, (3) your changing your principal place of residence from the Property; ("Maturity"). All payments shall be first applied to interest and the balance, if any, to principal.

You agree to make payment in full on or before Maturity.

You are authorizing us to pay, on your behalf, the amount you are borrowing to the company from whom you are receiving your mortgage loan to purchase the Property for disbursement.

You must make your payment to IHFA or to anyone to whom this Note is sold or assigned.



ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. % <u>6</u>	FINANCE CHARGE The dollar amount the credit will cost you. \$ <u>6</u>	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$ <u>2500⁰⁶</u>	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled. \$ <u>2500⁰⁶</u>
Payment Schedule:			
Number of Payments	Amount of Payments	When Payments Are Due	
<u>1 (one)</u>	<u>2500⁰⁶</u>	<u>upon MATURITY</u>	
DEMAND FEATURE: This Loan has a demand feature as follows: (1) sale of the Property; (2) payoff or refinancing of the first mortgage on the Property; or (3) your changing your principal place of residence from the Property. SECURITY: You are giving a security interest in the real estate you are purchasing with this loan identified above as the Property (the "Mortgage"). ASSUMPTION: Someone buying this property cannot assume the remaining balance due under original mortgage terms. FILING/RECORDING FEES: \$ <u>16⁰⁶</u> PREPAYMENT: If you pay off your loan early, you will not have to pay a penalty. See your contract documents for any additional information regarding non-payment, default, required repayment in full before scheduled date, and prepayment refunds and penalties.			

Collateral for the Loan. You are giving us a mortgage/security interest in the Property. If you do not repay this loan or if you breach any promise or agreement you have made with us, the Property may be sold or otherwise disposed of to satisfy this loan.

Finance Charge - Interest - Computations. This is a simple interest loan. Interest is charged only after Maturity or during any period there exists any uncured default on the remaining outstanding balance.

Entire Balance Due. You agree that without giving you any advance notice, we can require you to pay the unpaid balance of your loan at once if: you do not make any payment on time; a promise in this Agreement, the Mortgage or any other agreement with us related to this loan is broken; you sell, refinance or change your principal residence from the Property. If we require the entire balance to be paid, the amount due will be determined in the same manner as if you prepay the loan.

Forgiveness of Debt. Provided, prior to Maturity, you are in strict compliance with the terms and conditions of this Note, and the Mortgage, upon the expiration of the applicable period of time as provided in Title 24 of the Code of Federal Regulations, Section 92.254(a) (24CFRs92.254(a)) (or a successor equivalent period), as amended from time to time, your promise to repay the Loan shall expire and you shall not have any further obligation under the Note or Mortgage.

INSTRUCTION

Change of Address: While any part of our loan to you is unpaid, you promise to tell us in writing before changing your address, or the address where you will be residing. Notification to IHFA of your change of address will not waive the residency requirement set forth in this promissory note. Additionally, IHFA may periodically need to verify you continue to reside in the property for compliance with this program and you agree to promptly provide verification of continued residency in property to IHFA upon request.

Assumption: This loan can not be assumed.

Remedies: If you do not comply with this Agreement, the Property may be sold or otherwise be disposed of and the proceeds will be applied to the amount you owe us. If we bring suit against you, a court may award us a judgment against you for the amount you owe plus collection costs including reasonable attorneys' fees.

Additional Terms: Please refer to the Mortgage you are giving us, the additional terms and conditions of which are incorporated herein.

Delay of Enforcement; Reservation of Rights. We can delay enforcing any of our rights under this Agreement any number of times without losing them. We can waive or delay enforcing a right as to one Borrower without waiving it as to any other Borrower. Also, we can release one Borrower from his or her responsibilities under this Agreement without releasing any other Borrower. We may release the security interest in the Property or agree to accept other collateral without releasing you from your obligation to pay this loan. We need not give anyone notice of our waiver, delay or release. We can enforce this agreement against your heirs and legal representatives.

IF YOU HAVE RECEIVED A COMPLETED COPY OF THIS AGREEMENT AND PROMISE TO FULFILL ITS TERMS, PLEASE SIGN BELOW.

Dated this 28TH day of MARCH, 2002.

Kelley A. Sheridan
Borrower

Borrower

Social Security Number

Social Security Number



LEGAL DESCRIPTION

Lots 41 and 42, Block 20, Hart's Addition to Dyer, as per plat thereof recorded in Plat Book A page 484, in the Office of the Recorder of Lake County, Indiana.

