

**FIRST HOME/PLUS
INDIANA HOUSING FINANCE AUTHORITY₂
SECOND REAL ESTATE MORTGAGE**

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.

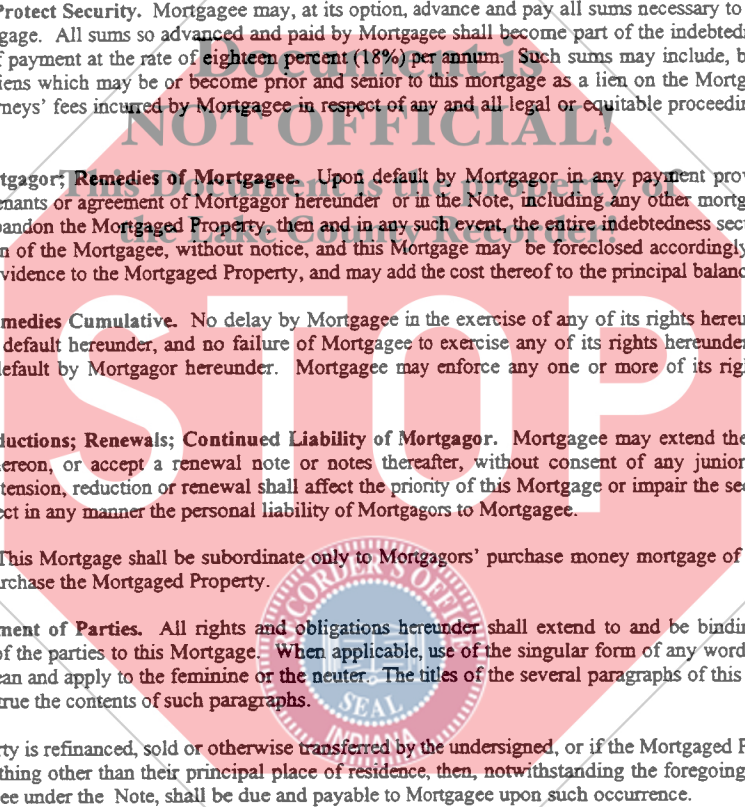
If the Mortgaged property is refinanced, sold or otherwise transferred by the undersigned, or if the Mortgaged Property is ever held or used by Mortgagors for the purpose of something other than their principal place of residence, then, notwithstanding the foregoing, any and all amounts outstanding and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

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TICOR - SCHERERVILLE 926022355

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage this 24th day of July, 2002

Mortgagor:

Matthew Denny
Signature
Matthew H. Denny
Printed

Toni L. Laich-Denny
Signature
Toni L. Laich-Denny
Printed

STATE OF INDIANA)
COUNTY OF Lake) SS:

Before me, a Notary Public in and for said County and State, personally appeared Matthew H. Denny and Toni L. Laich-Denny who, being first duly sworn, acknowledged execution of the foregoing Mortgage.

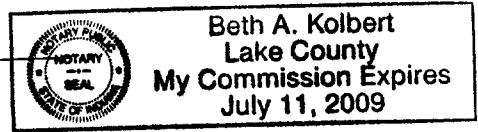
Witness my hand and Notarial Seal this 24th day of July, 2002

My Commission Expires:
7/11/09

Beth A. Kolbert
Notary Public

My County of Residence:
Lake

Beth A. Kolbert
Printed Name



J. Belicek

This Instrument prepared by: _____

Return recorded document to:

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



The land referred to in this Commitment is described as follows:

Lots 25 and 26 in Block 13 in Woodlawn Addition to Griffith, as per plat thereof, recorded in Plat Book 21 page 15, in the Office of the Recorder of Lake County, Indiana.

This Commitment is valid only if Schedule B is attached.

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ACA 6/96

JLH

SBP 05/13/02 10:46:53



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.

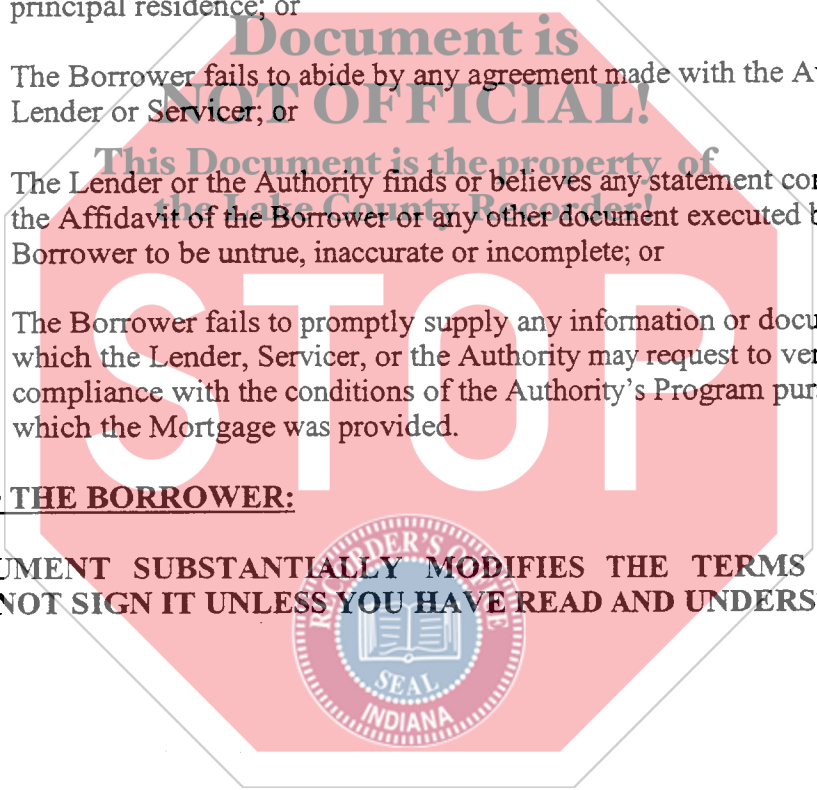
The Borrower agrees that the Lender (as provided in the Mortgage), the Indiana Housing Finance Authority (the "Authority") or its assignee may, at any time and without prior notice, accelerate all payments due under the Mortgage and Note and exercise any and all remedies allowed by law for breach of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

TICOR - SCHERERVILLE 92002235J



I hereby consent to the modifications of the terms of the Mortgage and Note which are contained in the Rider.

Dated this 24th day of July, 2002.

"Borrower"

"Borrower"

Matthew H. Denny
Signature

Toni L. Laich-Denny
Signature

Matthew H. Denny
Printed Name

Toni L. Laich-Denny
Printed Name

STATE OF INDIANA)
COUNTY OF Lake) SS:

On this 24th day of July, 2002, the above signed Matthew H. Denny and Toni L. Laich-Denny personally appeared before me, a Notary Public in and for said County and State, and acknowledged the execution of the foregoing instrument.

My Commission Expires:

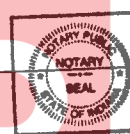
7/11/09

Beth A. Kolbert
Notary Public
Resident of

Lake County

This instrument was prepared by: J Belicek

Address: _____



Beth A. Kolbert
Lake County
My Commission Expires
July 11, 2009

