

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 041116

2004 MAY 19 AM 9:00

MORRIS MORTGAGE
RECORDING

Loan #: 21003541110

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MORTGAGE

THIS MORTGAGE is made this 12th day of May, 2004
Richard Gonzalez And Claudia M Gonzalez, Husband And Wife

, between the Mortgagor,

(herein "Borrower"),

and the Mortgagee,

PEOPLES BANK SB

a corporation organized and existing under the laws of the State of Indiana
9204 COLUMBIA AVE
MUNSTER, IN 46321

, whose address is

(herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$ 25,000.00 , which indebtedness is evidenced by Borrower's note dated May 12, 2004 and extensions and renewals thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on May 12, 2009.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with the interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of LAKE , State of Indiana:

LOT 5, EXCEPT THE SOUTH 32.5 FEET THEREOF, AND THE SOUTH 35 FEET OF LOT 4, BLOCK 8, ROXANA PARK ADDITION TO EAST CHICAGO, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 20 PAGE 49, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY.

INDIANA SECOND MORTGAGE

ITEM 4615L1 (0107)

GREATLAND ■
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STOP

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4. Prior Mortgages and Deeds of Trust; Liens, Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

3. **Application of Pyramids.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

Leender; if under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Leender, Leender shall promptly return to Borrower any Funds held by Leender; if under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Leender, Leender shall immediately prior to the sale of the Property or its acquisition by Leender, any Funds held by Leender at the time of application as a credit against the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

If Borrower pays funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, premiums and ground rents Lender may not charge for so holding and applying the Funds, analyzing said account or certifying said compounding said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest to be paid to Lender shall be paid to Borrower, and unless otherwise provided in this Mortgage law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of application of this Mortgage that interest to be paid to Lender shall be paid to Borrower.

2. Funds for Taxes and Insurance. Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus one-twelfth of yearly premiums for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments to Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgagee or deed of trust if such holder is an institutional lender.

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.

UNIFORM CONVENTANTS. Both were held under coverment and agree as follows:

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower waives and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

RENTAL TENURE WITHIN THE PROPERTY WHICH HOW OF INTEREST RECEIVED ON THE PROPERTY, AND IN LEASEMENTS, TENEMENTS, APPURTENANCES AND RENTS, ALL OF WHICH SHALL BE DEEMED TO BE AND REMAIN A PART OF THE PROPERTY COVERED BY THIS MORTGAGE; AND ALL OF THE FOREGOING, TOGETHER WITH SAID PROPERTY (OR THE LEASEHOLD ESTATE IF THIS MORTGAGE IS ON A LEASEHOLD) ARE HERINAFTER REFERRED TO AS THE "PROPERTY".

which has the address of
East Chicago, Indiana 46312, Street 300 South Barrington
[City] [Zip Code] (herein "Property Address").

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

10. 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 Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to

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of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender shall be entitled, to the extent provided by applicable law, to have a receiver appointed by a court to enter upon, take possession of and manage the Property

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Paragraph 17 hereof or abandonment

Mortgage and the sumis secured by this Mortgage shall continue unimpaired. Upon such payment and due by bondholder, this obligation to pay the sumis secured by this Mortgage shall remain in full force and effect as if no acceleration had occurred.

18. Borrower's Right to Remonstate. Notwithstanding Lennder's acceleration of the sums secured by this Mortgage due to Breach, Borrower shall have the right to have any proceedings begun by Lennder to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lennder all sums which would be due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other provisions or agreements contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lennder in enforcing the covenants and agreements of Borrower contained in this Mortgage, and (d) Borrower takes such action as provided in paragraph 17 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower's interest in the Property and Borrower's right to sue for Breach of this Agreement.

such proceeds as expenses of transportation, machinery, but not intended for, or otherwise used.

17. Acceleration; Remedies. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to accelerate and foreclose. If the breach is not cured on or before the date specified in the notice, without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in full all amounts of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of

16. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. Lender may exercise this option, at its option, prior to or after the date of sale or transfer, and Lender shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by state law as of the date of this Mortgage.

17. Notice of Default. Lender shall give Borrower notice of default within 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage.

13. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note except to the extent not prohibited by applicable law or the Note.

14. Borrower's Copy. Borrower shall be furnished a completed copy of the Note and of this Mortgage at the time of execution. Borrower shall be furnished a copy of the Note and of this Mortgage at the time of origination.

Power at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and
any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as
Borrower may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to
be given in the manner designated herein.

and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collections of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower.

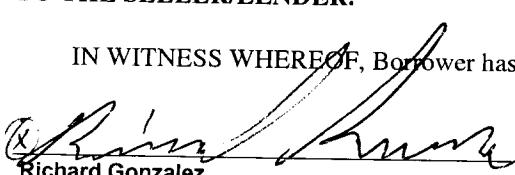
21. Waiver of Valuation and Appraisement. Borrower hereby waives all right of valuation and appraisement.

**REQUEST FOR NOTICE OF DEFAULT
AND FORECLOSURE UNDER SUPERIOR
MORTGAGES OR DEEDS OF TRUST**

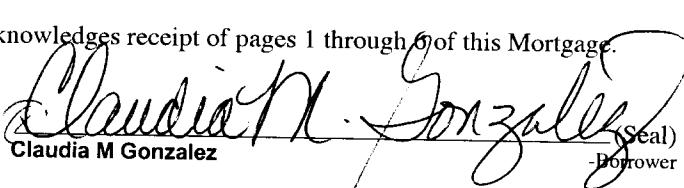
Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

YOU ARE NOT OBLIGATED TO PAY ANY MONEY UNLESS YOU SIGN THIS CONTRACT AND RETURN IT TO THE SELLER/LENDER.

IN WITNESS WHEREOF, Borrower has executed and acknowledges receipt of pages 1 through 6 of this Mortgage.


Richard Gonzalez

(Seal)
-Borrower


Claudia M. Gonzalez

(Seal)
-Borrower

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NOT OFFICIAL!**
**This Document is the property of
the Lake County Recorder!**

(Seal)
-Borrower

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-Borrower

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-Borrower

Witness:

Witness:



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