

4

HOME EQUITY LOAN MORTGAGE AGREEMENT

THIS MORTGAGE IS MADE ON July 19, 2004

BETWEEN the Borrower(s)

Michael S. Carey and Laura L. Carey, married, referred to as "I", whose address is 1514 Cynthia Court, Schererville, IN 46375

AND the Lender

PLEASE SIGN AND RETURN

PARAGON FEDERAL CREDIT UNION, referred to as the "Lender"

whose address is 370 Pascack Road, Washington Township, New Jersey.

If more than one Borrower signs this Mortgage, the word "I" shall mean each Borrower named above. The word "Lender" means the original Lender and anyone else who takes this Mortgage by transfer.

**Mortgage Note.** In return for a loan that I received, I promise to pay \$30,000.00 (called "Principal"), plus interest in accordance with the terms of THE ADJUSTABLE INTEREST RATE HOME EQUITY LOAN AGREEMENT NOTE AND DISCLOSURE (hereinafter referred to as the "Note") which I have executed today. All sums owed under the Note are due no later than August 18, 2024 (the "Maturity Date"). All terms of the Note are made part of this Mortgage. No advances are required to be made by the Lender after July 19, 2014.

\*"NOTE" as used in this Mortgage means THE ADJUSTABLE INTEREST RATE HOME EQUITY LOAN AGREEMENT NOTE AND DISCLOSURE.

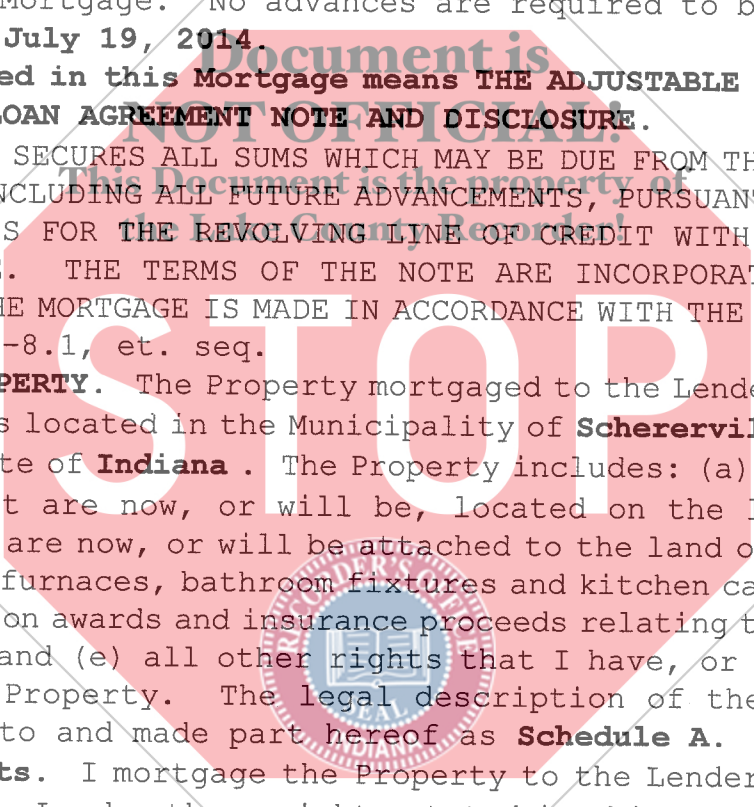
THIS MORTGAGE SECURES ALL SUMS WHICH MAY BE DUE FROM THE BORROWER TO THE LENDER, INCLUDING ALL FUTURE ADVANCEMENTS, PURSUANT TO THE NOTE, WHICH PROVIDES FOR THE REVOLVING LINE OF CREDIT WITH THE VARIABLE INTEREST RATE. THE TERMS OF THE NOTE ARE INCORPORATED HEREIN BY REFERENCE. THE MORTGAGE IS MADE IN ACCORDANCE WITH THE PROVISIONS OF N.J.S.A. 46:9-8.1, et. seq.

**MORTGAGED PROPERTY.** The Property mortgaged to the Lender (called the "Property") is located in the Municipality of Schererville, County of Lake, and State of Indiana. The Property includes: (a) the land; (b) buildings that are now, or will be, located on the land; (c) all fixtures that are now, or will be attached to the land or building(s) (for example, furnaces, bathroom fixtures and kitchen cabinet(s); (d) all condemnation awards and insurance proceeds relating to the land and building(s); and (e) all other rights that I have, or will have, as owner of the Property. The legal description of the property is attached hereto and made part hereof as **Schedule A**.

**Lender's Rights.** I mortgage the Property to the Lender. This means that I give the Lender those rights stated in this Mortgage and also those rights the law gives to lenders who hold mortgages on real property. When I pay all amounts due to the Lender under the Note and this Mortgage, the Lender's rights under this Mortgage will end. The Lender will then cancel this Mortgage at my expense.

**Promises.** I make the following promises to the Lender.

1. **Note and Mortgage.** I will comply with all of the terms of the Note and this Mortgage.
2. **Payments.** I will make all payments required by the Note and this Mortgage.
3. **Ownership.** I warrant title to the premises (N.J.S.A. 46:9-2). This means I own the property and will defend my ownership against all claims.
4. **Liens and Taxes.** I will pay all liens, taxes, assessments and other government charges made against the Property when due. I will not claim any deduction from the taxable value of the Property because of this Mortgage. I will not claim any credit against the principal and interest payable under the Note and this



080398  
STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
AUG 19 2004  
MORTGAGE

15-  
#92269  
#92271 SG

Mortgage for any taxes paid on the Property.

5. **Insurance.** I must maintain extended coverage insurance on the Property. The Lender may also require that I maintain flood insurance or other types of insurance. The insurance companies, policies, amounts and types of coverage must be acceptable to the Lender. I will notify the Lender in the event of any substantial loss or damage. The Lender may then settle the claim on my behalf if I fail to do so. All payments from the insurance company must be payable to the Lender under a "standard mortgage clause" in the insurance policy. The Lender may use any proceeds to repair and restore the Property or to reduce the amount due under the Note and this Mortgage. This will not delay the due date for any payment under the Note and this Mortgage.
6. **Repairs.** I will keep the Property in good repair, neither damaging nor abandoning it. I will allow the Lender to inspect the Property upon reasonable notice to me.
7. **Statement of Amount Due.** Upon request of the Lender, I will certify to the Lender in writing: (a) the amount due on the Note and this Mortgage, and (b) whether or not I have any defense to my obligations under the Note and this Mortgage.
8. **Rent.** If applicable, I will not accept rent from any tenant for more than one month in advance.
9. **Lawful Use.** I will use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

**Eminent Domain.** All or part of the Property may be taken by a government entity for public use. If this occurs, I agree that any compensation be given to the Lender. The Lender may use this to repair and restore the Property or to reduce the amount owed on the Note and this Mortgage. This will not delay the due date for any further payment under the Note and this Mortgage. Any remaining balance will be paid to me.

**Tax and Insurance Escrow.** If the Lender requests, I will make regular monthly payments to the Lender of: (a) 1/12 of the yearly real estate taxes and assessments of the Property; and (b) 1/12 of the yearly costs of insurance on the Property. These payments will be held by the Lender without interest to pay the taxes, assessments and insurance premiums as they become due.

**Payments Made for Borrower(s).** If I do not make all of the repairs as agreed in this Mortgage, the Lender may do so for me. The cost of these repairs and payments will be added to the principal, will bear interest at the same rate provided in the Note and will be repaid to the Lender upon demand.

**Default.** The Lender may declare that I am in default on the Note and this Mortgage if:

- (a) I fail to make any payments required by the Note and this Mortgage within fifteen days after its due date;
- (b) I fail to keep any other promise I make in this Mortgage or in the Note;
- (c) the ownership of the Property is changed for any reason;
- (d) the holder of any lien on the Property starts foreclosure proceedings; or
- (e) bankruptcy, insolvency or receivership proceedings are started by or against any of the Borrowers.
- (f) I no longer occupy the property.

**Payments Due Upon Default.** If the Lender declares that I am in default, I must immediately pay the full amount of all unpaid principal, interest, other amounts due on the Note and this Mortgage and the Lender's cost of collection and reasonable

attorney fees.

**Lender's Rights Upon Default.** If the Lender declares that the Note and this Mortgage are in default, the Lender will have all rights given by law or set forth in this Mortgage. This includes the right to do any one or more of the following:

- (a) take possession of and manage the Property, including the collection of rents and profits;
- (b) have a court appoint a receiver to accept rent for the Property (I consent to this);
- (c) start a court action, know as foreclosure, which will result in a sale of the Property to reduce my obligations under the Note and this Mortgage; and
- (d) sue me for any money that I owe the Lender.

**Notices.** All notices must be in writing and personally delivered or sent by certified mail, return receipt requested, to the addresses given in this Mortgage. Address changes may be made upon notice to the other party.

**No Waiver by Lender.** Lender may exercise any right under this Mortgage or under any law, even if Lender has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. Lender does not waive its right to declare that I am in default by making payments or incurring expenses on my behalf.

**Each Person Liable.** This Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Lender may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

**No Oral Changes.** This Mortgage can only be changed by an agreement in writing signed by both the Borrower(s) and the Lender.

**Copy Received.** I ACKNOWLEDGE RECEIPT OF A TRUE COPY OF THIS MORTGAGE WITHOUT CHARGE.

**Signatures.** I agree to the terms of this Mortgage. If the Borrower is a corporation, its proper corporate officers sign and its corporate seal is affixed.



*[Signature]*  
Michael S. Carey

*[Signature]*  
Laura L. Carey

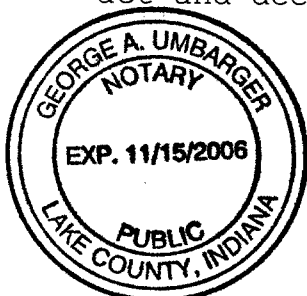
Witnessed or Attested by:

*[Signature]*  
Notary

STATE OF Indiana, County of LAKE

I CERTIFY THAT ON July 19, 2004, Michael S. Carey and Laura L. Carey, married, personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed this document; and
- (b) signed, sealed and delivered this document as his or her act and deed.



*[Signature]*  
Notary

=====

NOTE MORTGAGE

Dated: July 19, 2004

Michael S. Carey  
Laura L. Carey  
husband and wife,  
Borrowers.

RECORD AND RETURN:  
PARAGON FEDERAL CREDIT UNION  
P O Box 1203  
Westwood, New Jersey 07675

TO  
PARAGON FEDERAL CREDIT UNION,  
A Federal Credit Union,  
Lender.



To the County Recording Officer of \_\_\_\_\_ County:

This Mortgage is fully paid. I authorize you to cancel it of record.

Dated \_\_\_\_\_

\_\_\_\_\_  
**Document is NOT OFFICIAL!**  
**This Document is the property of the Lake County Recorder!**  
\_\_\_\_\_  
(Seal)  
Lender

I certify that the signature of the Lender is genuine.

**STOP**

SCHEDULE A

All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Municipality of Schererville, County of Lake, State of Indiana. Lot 77 in Ridgemoor Second Addition, to the Town of Schererville, as per plat thereof, recorded in Plat Book 68 page 51, in the Office of the Recorder of Lake County, Indiana.

Being the property described in a deed from Mause, Michael S. and Dawn M., H/W to the maker hereof which is recorded in the Lake County Recording Office on September 28, 2000 in INST #200070829 et seq.

Also known as: PARCEL: 20-13-0512-0025

Also known as: 1514 Cynthia Court  
Schererville, IN 46375