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"THIS INSTRUMENT SECURES A ZERO (0) INTEREST RATE OR OTHER  
SUBSIDIZED LOW RATE LOAN SUBJECT TO IC 24-9-3-2"

DATE: December 13, 2005

**HOMEBUYER ASSISTANCE  
MORTGAGE**

The undersigned property owner(s) (hereafter, the BORROWER), in consideration of the receipt of Five Thousand and 00/ 100 Dollars, (\$5,000.00) as a Forgivable Loan from the Lake County Community Economic Development Department (hereafter, the LENDER) for principal reduction assistance for the purchase of the property containing one dwelling unit occupied by the owner, which is commonly known as **1257 West 84<sup>th</sup> Lane – Merrillville, Indiana 46410** and legally described as **The west 62.0 feet of Lot 30, by parallel lines as measured along the north line thereof, in Mesa Ridge, an Addition to the Town of Merrillville, as per plat thereof, recorded in Plat Book 96 Page 55, in the Office of the Recorder of Lake County, Indiana.** equitable title to which is held by the BORROWER, hereby mortgages and warrants to the Lake County Community Economic Development Department the above described property to secure the repayment of the above stated loan for which the mortgage is granted and secured by a Promissory Note dated **December 13, 2005** subject to the following terms and conditions:

1. Such mortgage shall be in full amount of the loan given by the LENDER to the BORROWER.
2. The BORROWER agrees that any default on any superior lien shall be a default on this mortgage and shall render the balance due and payable including three percent (3%) interest per annum due hereunder at once.
3. The BORROWER agrees to keep the dwelling unit in good condition and repair, fully habitable, and not to remove or demolish any part of the dwelling unit thereon.
4. The BORROWER agrees: to provide, maintain and deliver to the LENDER evidence of fire and extended coverage insurance satisfactory to the LENDER in the order and amount sufficient to permit repair or replacement pursuant to Paragraph 3 above of the balance outstanding of this mortgage.
5. The BORROWER agrees to pay all taxes, assessments, utilities, and other expenses of the PROPERTY when due, and without delinquency, and shall not permit any liens to be imposed on the PROPERTY by reason of any delinquency.
6. The BORROWER agrees not to convert the dwelling unit to rental, commercial, or industrial use, or any form of cooperative ownership for the period of five (5) years.
7. The term of this mortgage shall be until the balance due is paid in full, or for a period ending on the first day of the month, first occurring five (5) years after the date of this mortgage. Unless prepaid or foreclosed, this mortgage shall be satisfied and be released by the LENDER on the **13<sup>th</sup> day of December, 2010.**
8. Unless accelerated pursuant to Paragraph 10, at each anniversary date the balance due hereunder shall be reduced by twenty percent (20%) per annum of the original amount of the loan.
9. During the term of this mortgage, the BORROWER shall make no payments of principal or interest; PROVIDED HOWEVER, that if the BORROWER shall be in default of any of the terms or conditions of this mortgage, then the unpaid and remaining balance shall become immediately due and payable upon demand by the LENDER and, PROVIDED FURTHER, if the instance of default be the conversion of any or all said unit to rental, commercial, or industrial use, or to cooperative ownership, then the full initial amount of the loan shall be due and payable without benefit to the BORROWER of the twenty percent (20%) anniversary date reductions otherwise made by the LENDER.
10. Any sale of this property prior to five (5) years from the date of this mortgage will constitute a default by the BORROWER and will make the remaining principal balance plus interest due in full.
11. In the event of default and non-payment of the balance due by the BORROWER, the LENDER may take such measures as may be lawful to it for the recovery of the indebtedness and including, but not limited to foreclosure and sale of the BORROWER'S rights in the PROPERTY and/or the assignment and collection of the rent and profits of the PROPERTY
12. The loan evidenced by this mortgage may be assigned and/or assumed only by written agreement with the Lake County Community Economic Development Department at the time such action is to take place; PROVIDED, that any and all terms and conditions shall remain in full force and effect for any assignee or successor to the BORROWER and such assignee or successor shall assume all duties and obligations of the BORROWER as described herein.

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13. For a period of five (5) years, to assure and protect its rights in this mortgage and the PROPERTY, the LENDER shall have right of access and inspection of the PROPERTY at reasonable times and with reasonable notice to the BORROWER.
14. Any forbearance by the LENDER with respect to any of the terms and conditions of this mortgage in no way constitutes a waiver of any of the LENDER'S rights or privileges granted hereunder.
15. Any notice of one party to the other shall be in writing to the parties as follows:

The LENDER:

LAKE COUNTY COMMUNITY ECONOMIC  
DEVELOPMENT DEPARTMENT  
2293 North Main Street  
Crown Point, IN 46307

The BORROWER:

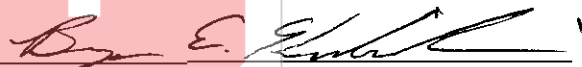
Bryan Kendzierski  
1257 West 84<sup>th</sup> Lane  
Merrillville, Indiana 46410

The BORROWER, or his executor, in the event of the death of the BORROWER, shall notify the LENDER of any change in the BORROWER'S name and address, or of any assignee or successor of the BORROWER.

16. The interpretation and application of the mortgage shall be in accordance with the laws and procedures of the State of Indiana as they may from time to time be amended.
17. Upon satisfactory completion of all terms and conditions of this mortgage by the BORROWER, or upon payment of any and all balance due, the BORROWER shall be entitled to a release and satisfaction of this mortgage by the LENDER at the BORROWER'S own cost.

This mortgage is expressly created and imposed upon the above described PROPERTY for the purpose of assuring the compliance of the BORROWER with the terms and conditions incident to the loan evidenced by this mortgage such loan being exclusively for the purpose of principal reduction assistance in accordance with the guidelines and procedures of the Homebuyer Assistance Program of the Lake County Community Economic Development Department.

December 13, 2005

  
BORROWER

December 13, 2005

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BORROWER

December 13, 2005

  
LENDER'S DESIGNEE



STATE OF INDIANA


SS:

COUNTY OF LAKE

On the 13<sup>th</sup> day of December, 2005 before me a Notary Public, personally appeared **Bryan Kendzierski** are to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that this was hisvoluntary act and deed.

.My Commission Expires:

8/17/09

  
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NOTARY PUBLIC IN AND FOR  
THE STATE OF INDIANA, COUNTY OF LAKE

Declaration

This form is to be signed by the preparer of a document and recorded with each document in accordance with IC 36-2-7.5-5(a).

I, the undersigned preparer of the attached document, in accordance with IC 36-2-7.5, do hereby affirm under the penalties of perjury:

1. I have reviewed the attached document for the purpose of identifying and, to the extent permitted by law, redacting all Social Security number in attached document.
2. I have redacted, to the extent permitted by law, each Social Security number in the attached document.

I, undersigned, affirm under the penalties of perjury, that the foregoing declarations are true.



*Elizabeth Fossum*  
Signature of Declarant

ELIZABETH FOSSUM  
Printed Name of Declarant