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MICHAEL S. CROWN
RECORDER

Reception No. _____
Recorded this _____ day of _____, A.D. _____, _____ o'clock _____ m.

REAL ESTATE MORTGAGE

(This Mortgage secures the described indebtedness and renewals thereof.)

THIS INDENTURE WITNESSETH, that Daniel S Machuca and Kelly L Machuca tenants in common

hereinafter called Mortgagor(s) of Lake County, in the State of Indiana, Mortgage(s) and Warrant(s) to American General Financial Services 6701 Broadway Ste 1A Merrillville, IN 46410 hereinafter called Mortgagee, of Lake County, in the State of Indiana, the following described Real Estate situated in Lake

County, in the State of Indiana, as follows, to wit:

Part of the west half of the east half of the northeast quarter of the southwest quarter of section 22, Township 36 North, Range 9 west of the 2nd principal meridian, commencing at a point on the north line of Highway Ave, which is 53.84 feet east of the east line of Johnson street and running thence east 50 feet, thence north 125 feet, thence west 50 feet, thence south 125 feet to the place of beginning, in the town of Highland, Lake County, Indiana.

to secure the repayment of a promissory Note/Agreement (herein referred to as "Note") of even date herewith for the principal sum of \$ 145,464.00 executed by the Mortgagor(s) and payable to the Mortgagee, on or before 360 months after date, in installments and with interest thereon, all as provided in said Note, and any renewal thereof; the Mortgagor(s) expressly agree(s) to pay the sum of money above secured, all without relief from valuation or appraisal laws, and with attorneys' fees; and upon failure to pay any installment on said Note, or any part thereof, at maturity, or the interest thereon, or any part thereof, when due, or the taxes or insurance as hereinafter stipulated, then said Note shall immediately be due and payable, and this Mortgage may be foreclosed accordingly; it is further expressly agreed by the undersigned, that until all indebtedness owing on said Note or any renewal thereof is paid, said Mortgagor(s) shall keep all legal taxes and charges against said premises paid as they become due, and shall keep the buildings and improvements thereon insured for fire, extended coverage, vandalism and malicious mischief for the benefit of the Mortgagee as its interests may appear, and the policy duly assigned in the amount of One hundred forty five thousand four hundred sixty four dollars and 00/100 Dollars (\$ 145,464.00), and failing to do so, said Mortgagee may pay said taxes, charges and/or insurance, and the amount so paid, with interest at the rate stated in said Note, shall be and become a part of the indebtedness secured by this Mortgage. If not contrary to law, this Mortgage shall also secure the payment of all renewals and renewal Notes hereof, together with all extensions thereof.

Mortgagor(s) may elect to have Mortgagee maintain an escrow fund for payment of real estate taxes, assessments, insurance premiums, or other obligations that might encumber the Real Estate if not timely paid when due. If Mortgagor(s) so elects, Mortgagor(s) shall pay to Mortgagee, on the date each periodic installment payment is due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Mortgage as a lien or encumbrance on the Real Estate; (b) leasehold payments or ground rents on the property, if any; (c) premiums for any and all insurance required by Lender, including, but not limited to hazard insurance and flood insurance; and (d) mortgage insurance premiums, if any, or any sums payable by Mortgagor(s) to Mortgagee in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." At origination or at any time during the term of the Note, Mortgagee may require that community association dues, fees, and assessments, if any, be escrowed by Mortgagor(s), and such dues, fees and assessments shall be an Escrow Item. Mortgagor(s) shall promptly furnish to Mortgagee all notices of amounts to be paid as Escrow Items. Mortgagor(s) shall pay Mortgagee the Funds for Escrow Items unless Mortgagee waives the obligation of Mortgagor(s) to pay the Funds for any or all Escrow Items. Mortgagee may waive the obligation of Mortgagor(s) to pay Mortgagee Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Mortgagor(s) shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Mortgagee and, if Mortgagee requires, shall furnish to Mortgagee receipts evidencing such payment within such time period as Mortgagee may require. If Mortgagor(s) become obligated to pay Escrow Items directly and fail to do so, Mortgagee may pay such amount and Mortgagor(s) shall then be obligated to repay to Mortgagee any such amount. Mortgagee may revoke the waiver as to any or all Escrow Items at any time by mailing a notice to the most current address for Mortgagor(s) shown on the records of Mortgagee. Upon such revocation, Mortgagor(s) shall pay to Mortgagee all Funds, and in such amounts, that are then required under any terms of this Mortgage or the Note.

This instrument was prepared by Kelli L Allen

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. _____

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Mortgagee may, at any time, collect and hold Funds in an amount (a) sufficient to permit Mortgagee to apply the Funds at the time specified under the federal Real Estate Settlement Procedures Act and implementing regulations (collectively, "RESPA"), and (b) not to exceed the maximum amount a lender can require under RESPA. Mortgagee shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with any applicable law or regulation. Mortgagee shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity or in any Federal Home Loan Bank. Mortgagee may charge Mortgagor(s) a fee to establish the escrow account at closing, if not contrary to applicable law and regulation, but Mortgagee shall not charge Mortgagor(s) for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless (i) Mortgagee pays Mortgagor(s) interest on the Funds, and (ii) such charge is not otherwise prohibited by any applicable law or regulation. Unless an agreement is made in writing or applicable law and regulations require interest to be paid on the Funds, Mortgagee shall not be required to pay Mortgagor(s) any interest or earnings on the Funds. Mortgagor(s) and Mortgagee can agree in writing, however, that interest shall be paid on the Funds. Mortgagee shall give to Mortgagor(s), without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Mortgagee shall account to Mortgagor(s) for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Mortgagee shall notify Mortgagor(s) as required by RESPA, and Mortgagor(s) shall pay to Mortgagee the amount necessary to make up the shortage in accordance with RESPA, but in no more than twelve (12) monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Mortgagee shall notify Mortgagor(s) as required by RESPA, and Mortgagor(s) shall pay to Mortgagee the amount necessary to make up the deficiency in accordance with RESPA, but in no more than twelve (12) monthly payments.

Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor(s) any Funds held by Mortgagee.

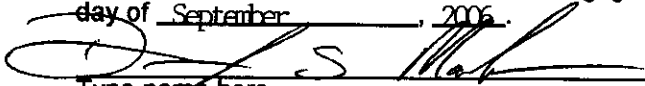
The Mortgagor(s) for himself (themselves), any heirs, personal representatives and assigns, covenant and agree to pay said Note and interest as they become due and to repay such further advances, if any, with interest thereon as provided in the Note or Notes evidencing such advances. If Mortgagor shall fail to keep the Real Estate in a good condition of repair or shall permit the Real Estate to be in danger of the elements, vandalism or damage from other cause, Mortgagee may take such steps as are necessary in its judgment to protect the Real Estate.


Mortgagor(s) expressly understand(s) and agree(s) that by this Mortgage they hereby assign to the Mortgagee all of Mortgagor(s)' rights and interests in and to all rents or payment on land contracts from any and all tenants or contract purchasers due or to become due from any such tenants or purchasers so long as the indebtedness hereby secured remains unpaid in whole or in part.

And the Mortgagor(s) covenant(s) that at all times during the continuance of this Mortgage, they will perform all covenants and conditions of all prior and existing mortgages to include payment of principal and interest on any debt or debts secured thereby and Mortgagor(s) agree that in the event of default in the performance of such covenants and conditions then the Mortgagee hereof may declare that any debt hereby secured shall be due and owing in full and Mortgagee may enforce this Mortgage by foreclosure with costs and attorney fees, or otherwise. In the event Mortgagor(s) default(s) in the performance of any obligations secured by a prior and existing mortgage, Mortgagee hereof may at its sole election pay and discharge said prior debt and Mortgage and Mortgagor(s) agree(s) to be indebted to Mortgagee thereof in the additional amount so advanced and this Mortgage shall also secure such additional debt on the same terms and conditions.

And, at the option of the Mortgagee, it shall be lawful for the Mortgagee, who is hereby given and granted full right, license, power and authority, to peacefully enter into and take possession of the premises hereby mortgaged, or any part thereof, and to collect, receive and receipt for all rents, issues and profits thereof; and the Mortgagor(s) agree(s) to deliver to the Mortgagee at any time after default, on request, possession of the mortgaged premises and all leases, papers and records at any time in the possession or control of the Mortgagor(s) pertaining to the premises, and further agree(s) to make, execute and deliver to the Mortgagee all such further assurances as may be proper for perfecting or completing the security hereunder.

IN WITNESS WHEREOF, the said Mortgagor(s) have hereunto set their hand(s) and seal(s) this 15th day of September, 2006.

 (SEAL)
Type name here
Daniel S. Machuca

 (SEAL)
Type name here
Kelly L. Machuca

(SEAL)
Type name here

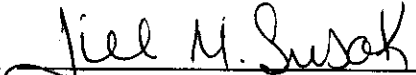
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STATE OF INDIANA)
COUNTY OF) ss:

Before me, the undersigned, a Notary Public in and for said County, this 15th day of September, 2006, came Tenants in common and acknowledged the execution of the foregoing instrument.

WITNESS OF MY HAND and official seal.

My Commission expires 12/16/2012

 Notary Public