

12

12

2012 066986

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2012 SEP 24 AM 9:57

MICHELLE R. FAJMAN
RECORDER

Return To: Lake Federal Bank, FSB
7048 Kennedy Avenue
Hammond, IN 46323

1203717LD(inv)

State of Indiana

Space Above This Line For Recording Data

MORTGAGE

(With Future Advance Clause)

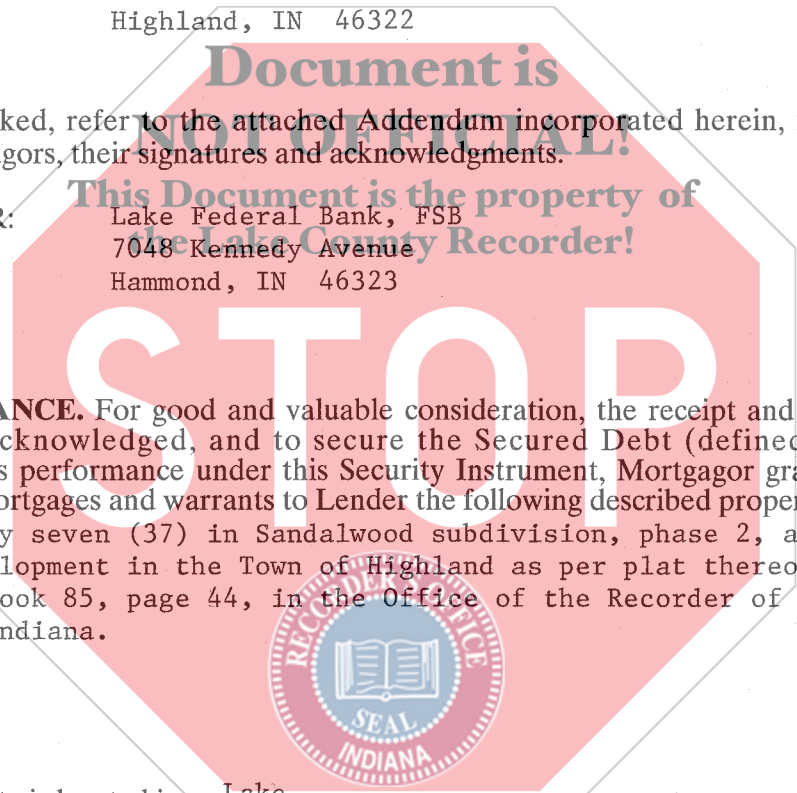
1. **DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is
September 14, 2012

The parties and their addresses are:

MORTGAGOR: Richard F. Scartozzi and Mary F. Scartozzi, Husband and Wife
3844 Sandalwood Drive
Highland, IN 46322

If checked, refer to the attached Addendum incorporated herein, for additional
Mortgagors, their signatures and acknowledgments.

LENDER: Lake Federal Bank, FSB
7048 Kennedy Avenue
Hammond, IN 46323



2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of
which is acknowledged, and to secure the Secured Debt (defined below) and
Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains,
conveys, mortgages and warrants to Lender the following described property:

Lot thirty seven (37) in Sandalwood subdivision, phase 2, a planned
unit development in the Town of Highland as per plat thereof recorded
in plat book 85, page 44, in the Office of the Recorder of Lake
County, Indiana.

The property is located in Lake at
(County)
3844 Sandalwood Drive Highland, Indiana 46322
(Address) (City) (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas
rights, all water and riparian rights, ditches, and water stock and all existing and future
improvements, structures, fixtures, and replacements that may now, or at any time in the
future, be part of the real estate described above (all referred to as "Property").

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this
Security Instrument at any one time shall not exceed \$ 60,000.00
This limitation of amount does not include interest and other fees and charges validly
made pursuant to this Security Instrument. Also, this limitation does not apply to
advances made under the terms of this Security Instrument to protect Lender's security
and to perform any of the covenants contained in this Security Instrument.

36
LT
Rm

4. SECURED DEBT AND FUTURE ADVANCES. The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(ies) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (You must specifically identify the debt(s) secured and include the final maturity date of such debt(s).)
The promissory note from Richard F. Scartozzi and Mary F. Scartozzi, Husband and Wife to Lake Federal Bank, FSB, in the principal amount of \$60,000.00 dated September 14, 2012 with a final maturity of October 1, 2032.

B. All future advances from Lender to Mortgagee or other future obligations of Mortgagee to Lender under any promissory note, contract, guaranty, or other evidence of debt executed by Mortgagee in favor of Lender after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Mortgagee agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagee, or any one or more Mortgagee and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
C. All other obligations Mortgagee owes to Lender, which may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagee and Lender.
D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.
In the event that Lender fails to provide any required notice of the right of rescission, Lender waives any subsequent security interest in Mortgagee's principal dwelling that is created by this Security Instrument.

5. MORTGAGE COVENANTS. Mortgagee agrees that the covenants in this section are material obligations under the Secured Debt and this Security Instrument. If Mortgagee breaches any covenant in this section, Lender may refuse to make additional extensions of credit and reduce the credit limit. By not exercising either remedy on Mortgagee's breach, Lender does not waive Lender's right to later consider the event a breach if it happens again. Mortgagee agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagee agrees to make all payments when due and to perform or comply with all covenants. Mortgagee also agrees not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written approval.
Claims Against Title. Mortgagee will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagee to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagee's payment. Mortgagee will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagee agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagee may have against parties who supply labor or materials to maintain or improve the Property.
Property Condition, Alterations and Inspection. Mortgagee will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagee shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagee agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagee will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagee will notify Lender of all demands, proceedings, claims and actions against Mortgagee, and of any loss or damage to the Property.
Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagee notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagee will in no way rely on Lender's inspection.

Authority to Perform. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument.

Leaseholds; Condominiums; Planned Unit Developments. Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

Condemnation. Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

Insurance. Mortgagor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debt. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

Financial Reports and Additional Documents. Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property. In addition, Lender may file a financing statement signed by the Lender instead of Mortgagor with the appropriate public officials.

6. **WARRANTY OF TITLE.** Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell, mortgage and warrant the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

7. **DUE ON SALE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.

8. **DEFAULT.** Mortgagor will be in default if any of the following occur:

Fraud. Any Consumer Borrower engages in fraud or material misrepresentation in connection with the Secured Debt that is an open end home equity plan.

Payments. Any Consumer Borrower on any Secured Debt that is an open end home equity plan fails to make a payment when due.

Property. Any action or inaction by the Borrower or Mortgagor occurs that adversely affects the Property or Lender's rights in the Property. This includes, but is not limited to, the following: (a) Mortgagor fails to maintain required insurance on the Property; (b) Mortgagor transfers the Property; (c) Mortgagor commits waste or otherwise

proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

12. ESCROW FOR TAXES AND INSURANCE. Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

13. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.

14. SEVERABILITY; INTERPRETATION. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

15. NOTICE. Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

16. WAIVERS. Except to the extent prohibited by law, Mortgagor waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future relating to redemption, reinstatement, and the marshalling of liens and assets. Mortgagor waives all rights of valuation and appraisal.

17. LINE OF CREDIT. The Secured Debt includes a revolving line of credit. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.

18. APPLICABLE LAW. This Security Instrument is governed by the laws as agreed to in the Secured Debt, except to the extent required by the laws of the jurisdiction where the Property is located, and applicable federal laws and regulations.

19. RIDERS. The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument.

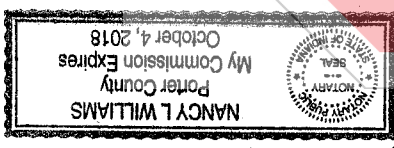
[Check all applicable boxes]

Assignment of Leases and Rents Other .. Adjustable Rate Rider

20. ADDITIONAL TERMS.



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.
Name: Gerald R. Skrabala
Printed Name: Gerald R. Skrabala
This instrument was prepared by Gerald R. Skrabala
Lake Federal Bank, FSB



ACKNOWLEDGMENT: STATE OF Indiana, COUNTY OF Lake,) ss. Nancy L. Williams, a Notary Public,
this 14th day of September, 2012,
Richard A. Scartozzi and Mary F. Scartozzi,
acknowledged the execution of the annexed mortgage.
My commission expires: 10/04/2018
(Notary Public)
Nancy L. Williams
(Notary's County) Porter

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.
Richard A. Scartozzi (Signature) 09/14/12
Mary F. Scartozzi (Signature) 09/14/12

1-4 FAMILY RIDER (Assignment of Rents)

THIS 1-4 FAMILY RIDER is made this 14th day of September 2012, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Lake Federal Bank, FSB

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 3844 Sandalwood Drive
Highland, IN 46322-2076

[Property Address]

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 5.

**MULTISTATE 1-4 FAMILY RIDER - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
Form 3170 1/01**

Wolters Kluwer Financial Services
VMP®-57R (0811)
Page 1 of 3

Initials: M.E.S

RAS

MFS

I. CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9.

only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (iii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iiii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until: (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument, and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

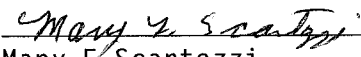
G. ASSIGNMENT OF LEASES. Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, Section 6 concerning Borrower's occupancy of the Property is deleted.

E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Section 19 is deleted.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this 1-4 Family Rider.


Richard A Scartozzi (Seal)
-Borrower


Mary F Scartozzi (Seal)
-Borrower

(Seal)
-Borrower

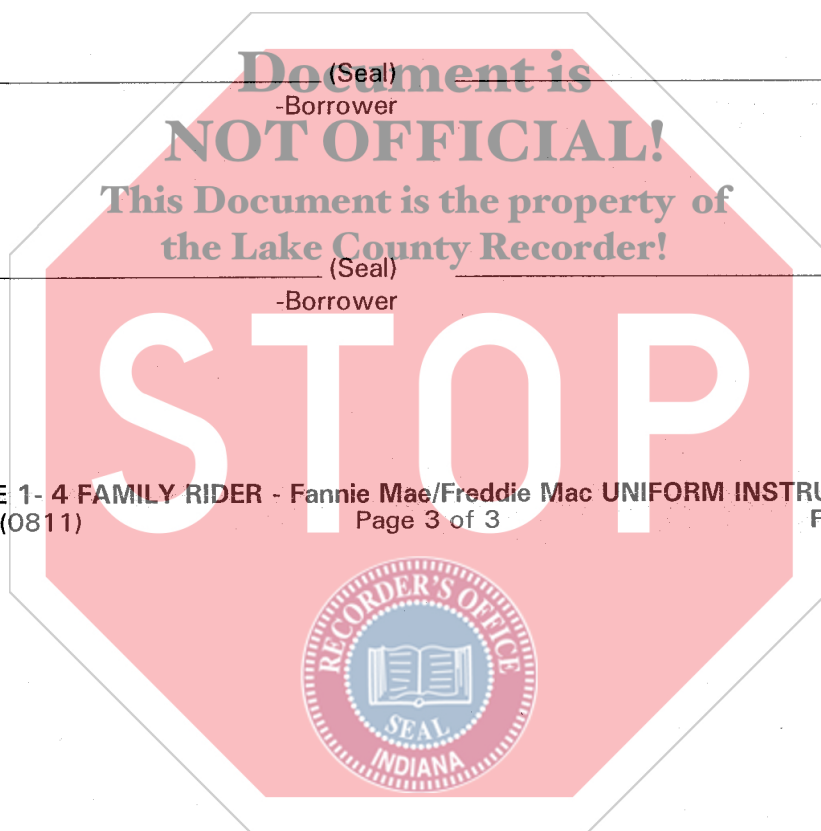
(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower



ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 14th day of September, 2012 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Lake Federal Bank, FSB (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 3844 Sandalwood Drive, Highland, IN 46322 [Property Address]

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND PERIODIC PAYMENT CHANGES

The Note provides for an initial interest rate of 3.250%. The Note provides for changes in the interest rate and the payments, as follows:

3. PAYMENTS

(A) Periodic Payments

I will pay principal and interest by making periodic payments when scheduled: (mark one):

I will make my periodic payments on the first day of each month beginning on.....

I will make my periodic payments as follows:

During the first ten years, the "Draw Period", your monthly payment will be interest accrued at the end of the preceding month plus \$25.00, beginning November 1, 2012; at the end of the draw period, the draw period will close, and principal and interest payments will be required monthly, and will be fully amortized over the remaining ten year period, the "Repayment Period".

In addition to the payments described above, I will pay a "Balloon Payment" of \$..... on The Note Holder will deliver or mail to me notice prior to maturity that the balloon payment is due. This notice will state the Balloon Payment amount and the date that it is due.

MULTISTATE ADJUSTABLE RATE RIDER

Bankers Systems, Inc., St. Cloud, MN Form ARLR 6/14/2004
ref: ADJ-NOTE

RAJ *MES*

until the next Change Date.

- Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate
- will be rounded off by the Note Holder down to the nearest
- will be rounded off by the Note Holder up to the nearest
- will be rounded off by the Note Holder to the nearest
- will not be rounded off.

percentage points (.....0.000%) to the Current Index. The result of this calculation:

Before each Change Date, the Note Holder will calculate my new interest rate by ..zero

(C) Calculation of Changes

comparable information. The Note Holder will give me notice of this choice.
If the Index is no longer available, the Note Holder will choose a new index which is based upon
each Change Date is called the "Current Index."

The most recent Index figure available as of the date 45 days of

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is:
The Wall Street Journal Prime Rate

(B) The Index

and on every ..index change date ..thereafter:
 The interest rate I will pay may change ..when the index changes ..month thereafter:
 The interest rate I will pay may change on the first day of ..

(A) Change Dates

Each date on which my interest rate could change is called a "Change Date." (Mark one)

4. INTEREST RATE AND PERIODIC PAYMENT CHANGES

Changes in my periodic payment will reflect changes in the unpaid principal of my loan and in the
interest rate that I must pay. The Note Holder will determine my new interest rate and the changed
amount of my periodic payment in accordance with Section 4 of the Note.

(D) Periodic Payment Changes

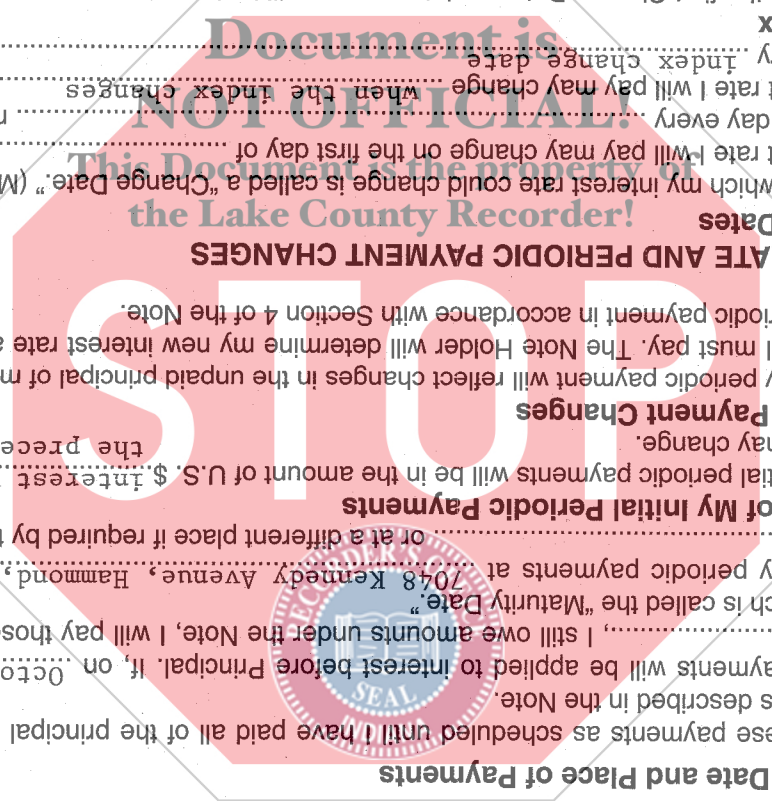
This amount may change.
Each of my initial periodic payments will be in the amount of U.S. \$..interest accrued at the end of
the preceding month plus \$25.00

(C) Amount of My Initial Periodic Payments

or at a different place if required by the Note Holder:
I will make my periodic payments at ..7048 Kennedy Avenue, Hammond, IN 46323

(B) Maturity Date and Place of Payments

I will make these payments as scheduled until I have paid all of the principal and interest and
any other charges described in the Note.
My periodic payments will be applied to interest before Principal. If, on October 1, 2032
I still owe amounts under the Note, I will pay those amounts in full
on that date, which is called the "Maturity Date."
I will make my periodic payments at ..7048 Kennedy Avenue, Hammond, IN 46323



M.F.S.
M.F.S.

The Note Holder will then determine the amount of the periodic payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my periodic payment.

(D) Limits on Interest Rate Changes

- My interest rate will never be increased or decreased on any single Change Date by more than percentage points from the rate of interest I have been paying for the preceding period.
- My interest rate will never be greater than 21.000 % or less than 0.000 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new periodic payment beginning on the first periodic payment date after the Change Date until the amount of my periodic payment changes again.

~~XXX (F) Notice of Changes XXX~~

~~XXX At least 25 days but in no event more than 100 days before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my periodic payment. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any questions I may have regarding the notice. XXX~~

RAS
M. F. S

B. FUNDS FOR TAXES AND INSURANCE

Uniform Covenant 3 of the Security Instrument is waived by the Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Richard A. Scartozzi
Richard A. Scartozzi

..... (Seal)
-Borrower

Mary F. Scartozzi
Mary F. Scartozzi

..... (Seal)
-Borrower

