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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2014 029241

2014 MAY 22 AM 9:05

MICHAEL B. BROWN  
RECORDER

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**SUBSIDY MORTGAGE**

THIS MORTGAGE ("Security Instrument") is given on May 1, 2014. The mortgagor is Valene J. Tavaroz ("Borrower"). This Security Instrument is given to First Midwest Bank which is organized and existing under the laws of the State of Illinois, and whose address is 300 N. Hunt Club Rd Gurnee, IL 60031 ("Lender"). Borrower owes Lender the principal sum of Six Thousand Two Hundred Fifty Three Dollars (U.S. \$ 6253.00). This debt is evidenced by Borrower's promissory note ("Note") dated the same date as this Security Instrument. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note with interest and all renewals, extensions, and modifications of the Note; (b) the payment of all other sums with interest advanced under Paragraph 5 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant, and convey to Lender the following described property located in Lake County, Indiana:

See Attached Legal Description

Permanent Index Number: 45-07-09-480-006-000-023



which has the address of 3018 172nd St, Hammond, IN 46323 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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 warrants, and will defend generally, the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

**FIDELITY - HIGHLAND**  
**FR 1310163**  
**REGION TITLE/FIDELITY**  
 2nd/ **FR1310163**

2/2014

**\$ 24**  
**FN**  
**LA**

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Subsidy.** Borrower shall promptly pay when due, as set forth in the Note executed herewith, the debt evidenced by the Note.

**2. Charges, Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Paragraph 2. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**3. Hazard or Property 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 any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower, subject to Lender's approval, which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 5.

(All insurance policies and renewals must meet with Lender's approval and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to Lender and Borrower, Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged. If the restoration or repair is economically feasible and Lender's security is not lessened, the restoration or repair is not economically feasible, or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in Paragraph 1 or change the amount of such payments. If, under Paragraph 14, the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**4. Preservation, Maintenance, and Protection of the Property; Borrower's Subsidy Application.** Borrower shall not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that, in Lender's good-faith judgment, could result in forfeiture of the Property, or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in Paragraph 12, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good-faith determination, precludes forfeiture of Borrower's interest in the Property, or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the subsidy application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the subsidy evidenced by the Note.

**5. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument or the Note, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this Paragraph 5, Lender does not have to do so.

Any amounts disbursed by Lender under this Paragraph 5 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate, and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**6. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of, or prior to, an inspection specifying reasonable cause for the inspection.

**7. Forbearance By Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy shall not be a waiver of, or preclude the exercise of, any right or remedy.

**8. Successors and Assigns Bound, Joint and Several Liability, Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note (a) is co-signing this Security Instrument only to mortgage, grant, and convey Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear, or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**9. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first-class mail, unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first-class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this Paragraph 9.

**10. Governing Law, Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end, the provisions of this Security Instrument and the Note are declared to be severable.

**11. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**12. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to ensure that the lien of this Security Instrument, Lender's rights in the Property, and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the

obligations secured hereby shall remain fully effective as if no acceleration had occurred.

**13. Hazardous Substances:** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, if Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary. Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Paragraph 13, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Paragraph 13, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

**NON-UNIFORM COVENANTS:** Borrower and Lender further covenant and agree as follows:

**14. Acceleration Remedies:** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, 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 non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument, without further demand, and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 14, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**15. Release:** Upon either the expiration of five years from the date of this Security Instrument or the reimbursement of the remaining sums due, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

**16. Waiver of Homestead:** Borrower waives all right of homestead exemption in the Property.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

Valerie J. Tavaraz  
Valerie J. Tavaraz --Borrower

\_\_\_\_\_  
--Borrower

\_\_\_\_\_  
--Borrower

\_\_\_\_\_  
--Borrower

[Space Below This Line For Acknowledgment]

STATE OF INDIANA, Lake County, ss: Thomas G Schiller, a Notary Public in and for said county and state, do hereby certify that Valerie J. Tavaraz personally known to me to be the same person(s) whose name(s) She subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that She signed and delivered the said instrument as Her free and voluntary act, for the uses and purposes therein set forth.

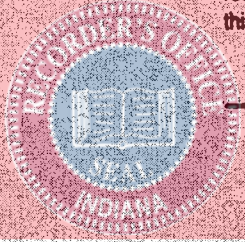
Given under my hand and official seal, this 07th day of May, 2014.  
My Commission expires: 05/27/2016

Thomas G Schiller  
Notary Public  
Thomas G Schiller



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. Thomas Schiller

Prepared by: Jenny Fugelseth



**LEGAL DESCRIPTION:  
EXHIBIT "A"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LAKE, STATE OF INDIANA,  
AND IS DESCRIBED AS FOLLOWS:

Part of the Southeast 1/4 of the Southeast 1/4 of Section 9, Township 38 North, Range 9 West of the 2nd Principal Meridian described as commencing at a point 660 feet North of the South line of said Southeast 1/4 and 188.44 feet east of the West line of said Southeast 1/4 of the Southeast 1/4; thence South 78.64 feet to a point which is 188.41 feet East of the West line of said Southeast 1/4 of the Southeast 1/4; thence continuing South parallel with and 188.41 feet East from the West line of said Southeast 1/4 of the Southeast 1/4 150 feet; thence East 70.85 feet to a point; thence North 229.8 feet to a point which is 660 feet North of the South line of said Southeast 1/4; thence West 70.85 feet to the place of beginning, in the City of Hammond, Lake County, Indiana;

