



**National Republican Congressional Committee**

**Tom Cole, M.C.**  
**Chairman**

**Pete Kirkham**  
**Executive Director**

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

2008 OCT 23 P 4:37

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FEC MAIL CENTER

2008 OCT 23 PM 3:18

October 23, 2008

Thomaseia Duncan, Esquire  
General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

MUR # 6104

Re: Complaint Against Michael Montagano and Montagano for Congress Inc.

Dear Ms. Duncan:

Pursuant to 2 USC § 437g(a)(1) and 11 CFR § 111.4, please accept this letter as a Complaint against Michael Montagano and Montagano for Congress Inc. Michael Montagano and Montagano for Congress Inc. appears to have violated the Federal Election Campaign Act of 1971, as amended (the "Act"), and Federal Election Commission ("FEC" or "Commission") regulations. The information contained in this complaint is based upon publicly available information and information and belief.

Michael Montagano ("Michael") is the Democrat nominee for the 3<sup>rd</sup> Congressional District of Indiana. Michael's campaign committee is Montagano for Congress Inc. The committee's treasurer is his father, Joseph Montagano. Michael filed both the Form 1 Statement of Organization and Form 2 Statement of Candidacy on May 3, 2007. See Exhibit A. Thus, Michael became a candidate for Federal office on May 3, 2007.

Based on publicly available information, Michael has accepted excessive contributions from his father, Joseph Montagano ("Joseph"). Michael's father purchased a house and property for Michael after he became a candidate for Federal office. Michael's father also served as a co-borrower on a mortgage later obtained in connection with this property. Moreover, Michael's father paid the property taxes on the property while Michael was a candidate for federal office. Finally, Michael has not had a job since he became a Federal candidate, lists no substantial assets on his personal financial disclosure reports and yet somehow purchased or leased a Hummer H3 with a starting price of \$34,135.

320 First Street, S.E.  
Washington, D.C. 20003  
(202) 479-7000

Paid for by the National Republican Congressional Committee and not  
Authorized by any Candidate or Candidate's Committee.

[www.nrcc.org](http://www.nrcc.org)

Not Printed at Government Expense.

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Based upon publicly available information, it appears Michael Montagano accepted payment for routine living expenses from his father after he became a candidate for federal office. There appears to be no history of his father paying his living expenses prior to his becoming a candidate. As such, these payments constitute excessive contributions to Montagano for Congress Inc in violation of the Act and Commission regulations.

#### **I. Factual Background**

Michael Montagano became a federal candidate on May 3, 2007. As required by Federal law, Montagano filed his 2007 Financial Disclosure Statements with the U.S. House of Representatives. This Statement covered January 1, 2006 through April 30, 2007. According to this Statement, Michael took a leave of absence from his position with the law firm of Stuart & Brannigan, LLP, on May 8, 2007, allowing him to campaign full time. See Exhibit B. His salary was reported as \$22,666.66.

In addition, the 2007 Financial Disclosure Statement disclosed Michael's current assets as "Chase accounts" valued between \$15,001 and \$50,000, producing income between \$201 and \$1,000. The Statement also shows that Michael sold an asset worth \$50,000 to \$100,000 in 2006; however, by 2007, the income from the sale of that asset appears to have been spent, as it is not reflected in the increased value of his other accounts. In 2007, Michael gave or lent his campaign committee over \$33,500. See Exhibit B.

Michael's 2008 Financial Disclosure Statement (covering January 1, 2007 through April 30, 2008) listed his assets as one "Chase account" valued between \$1,001 and \$15,000 and a "Lake City account" valued between \$1,001 and \$15,000. Each of these assets produced only \$1,001 and \$2,500 each. Michael listed \$0 in salary for 2008 and amended his 2007 salary to \$28,666.66. See Exhibit B.

On July 12, 2007, approximately two months after Michael became a federal candidate, the Jane McClelland Revocable Trust conveyed three lots, including one house, to Michael and Joseph Montagano. According to Elkhart County documents, the sale price for Lot 9, which included the house, was \$326,000. On July 13, 2007, Michael and Joseph conveyed two lots to Joseph solely. The remaining lot, Lot 9, and the house at 56022 Dana Drive in Bristol, Indiana, are owned by both Michael and Joseph. At the time of the purchase, no mortgage was filed with the Elkhart County Recorder for any of this property. See Exhibit C.

Within days of the purchase, Michael amended his Statement of Candidacy and Statement of Organization and completed a new Indiana Voter Registration Application, reflecting a new address of 56022 Dana Drive See Exhibits A, D.

On October 11, 2007, five months after Michael declared his candidacy for Federal office and three months after Michael and Joseph purchased the property at 56022 Dana Drive, Michael and Joseph obtained a mortgage on the lot and house in the amount of \$226,000. On November 13, 2007, Joseph paid \$712.46 for the property taxes on the lot and house at 56022 Dana Drive See Exhibit C.

Given Michael Montagano's lack of a salary and limited assets, it seems unlikely that he would be able to purchase property for \$326,000, or even a portion of this property, without obtaining a loan. This raises the question of whether Michael's father purchased the property

in Michael's name in order to subsidize his living expenses while he campaigned for Congress. Moreover, it is unclear why Michael and his father later obtained a mortgage on the lot and house Michael resides in and what that the mortgage proceeds were used for—his campaign, living expenses or some other purpose.

It is fair and necessary to ask whether Michael Montagano actually paid for a parcel of land a new home, as well as an extravagant vehicle while running full-time for Congress, or whether someone else purchased those things for him.

## **II. Legal Analysis**

The term "contribution" is defined to include "any gift, subscription, loan, advance, or deposit or money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. §431(8)(A)(i), 11 C.F.R. § 100.52(a). The Act limits individual contributions to any candidate and his authorized political committee with respect to any election for Federal office to \$2,300. 2 U.S.C. §441(a)(1). Contributions aggregating over \$200 per election cycle must be reported by amount, date of receipt and contributor's full name and address, occupation and employer. 11 C.F.R. §102.9(a)(2), 11 C.F.R. §104.

Candidates are allowed to make unlimited campaign expenditures from personal funds. 11 C.F.R. § 110.10. Personal funds of a candidate include amounts derived from assets that a candidate had legal right of access or control over at the time he became a candidate, income received during an election cycle and assets jointly owned with a spouse. 11 C.F.R. §100.33.

Candidates are not, however, allowed to convert campaign funds for personal use. A contribution is converted to personal use if it is "used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign." 2 U.S.C. §439(b)(2), see also, 11 C.F.R. § 113.1(g). The Act specifically provides that third party payments of personal use expenses are contributions, unless the payment would have been made irrespective of the candidacy. 11 C.F.R. §113.1(g)(6). The statute cites home mortgage, rent or utility payments as expenses that would exist irrespective of the candidate's election campaign. 2 U.S.C. §439(b)(2), 11 C.F.R. § 113.1(g).

The Act does allow for a family member to pay a candidate's living expenses; however, this is only permitted if the payments are made from a joint account held with the candidate, or "if the expenses were paid by the family member before the candidate became a candidate." 11 C.F.R. § 100.153. (emphasis added).

There appears to be no history of Joseph Montagano paying his son's living expenses prior to his candidacy. Michael Montagano's Personal Financial Disclosure reports list no joint accounts with his father. As such, the purchase of a home, or part thereof, by Joseph Montagano for his son would be subject to the contribution limits of the Act.

Similarly, the property taxes paid on property co-owned with a candidate, are also subject to the contribution limits. The property tax payment made by Joseph on October 13, 2007, for the lot and house at 56022 Dana Drive is a personal living expense subject to contribution limits and reporting requirements. Neither the purchase of the house and lot made by Joseph, nor the property tax payment made by Joseph, was disclosed by Montagano for Congress Inc.

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Additionally, the \$226,000 mortgage obtained by Michael and Joseph as co-owners of the lot and house where Michael currently lives may have violated the Act and Commission regulations. Michael Montagano may only access half the value of the property. It is unclear what the mortgage proceeds were used for, as it was entered into several months after the property purchase. If Michael used the entire amount for campaign purposes, living expenses or some other purpose, half of the loan amount (\$113,000) would be an excessive contribution.

The public documents and information clearly raise enough questions with respect to these transactions to warrant an investigation by the Commission. It appears that Michael Montagano's father purchased a house and paid living expenses after Michael became a candidate for Federal office. These payments were not disclosed by Michael's campaign committee, Montagano for Congress Inc., even though the law plainly states that these types of payments are contributions. The value of these payments greatly exceed the per election contribution limits set by the Act and are unlawful.

Accordingly, we respectfully request that the Commission conduct an immediate investigation into the alleged violations and find reason to believe that Michael Montagano and Montagano for Congress Inc. violated the law.

The foregoing is correct and accurate to the best of my knowledge, information and belief.

Respectfully submitted,



Elizabeth N. Beacham

Sworn to and subscribed before me this 23 day of October, 2008.

District of Columbia: SS  
Subscribed and sworn to before me,

this 23rd day of October, 2008



Diana K. Leo, Notary Public, D.C.

My commission expires May 14, 2013

Diana K. Leo

Notary Public

My Commission Expires: 5/14/2013

Diana K. Leo  
Notary Public, District of Columbia  
My Commission Expires 5/14/2013

FEC  
FORM 1

STATEMENT OF  
ORGANIZATION

RECEIVED  
FEC MAIL CENTER

2007 MAY -3 PM 3:19

Office Use Only

1. NAME OF  
COMMITTEE (in full)

(Check if name  
is changed)

Example: If typing, type  
over the lines.

12FEAMS

MONTAGANO FOR CONGRESS, INC.

ADDRESS (number and street)

PO BOX 1415

(Check if address  
is changed)

GREEN

IN

46526

CITY ▲

STATE ▲

ZIP CODE ▲

COMMITTEE'S E-MAIL ADDRESS

MONTAGANO.FORCONGRESS@MONTAGANFORCONGRESS.COM

COMMITTEE'S WEB PAGE ADDRESS (URL)

WWW.MONTAGANO.FORCONGRESS.COM

COMMITTEE'S FAX NUMBER

2. DATE 05 03 2007

3. FEC IDENTIFICATION NUMBER ▶

C

4. IS THIS STATEMENT

X

NEW (N)

OR

AMENDED (A)

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

NILES ERICSSON JAGER

Signature of Treasurer



Date

05 03 2007

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.

Office Use Only				
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For further information contact:  
Federal Election Commission

FEC FORM 1

Exhibit A

## 5. TYPE OF COMMITTEE (Check One)

- (a) ☒ This committee is a principal campaign committee. (Complete the candidate information below.)
- (b) ☐ This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate

MICHAEL ANTHONY MONTAGANO

Candidate  
Party Affiliation

DEM

Office  
Sought

X

House

Senate

President

State

IN

District

03

- (c) ☐ This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate

(d)

This committee is a

(National, State  
or subordinate) committee of the(Democratic,  
Republican, etc.) Party

(e)

This committee is a separate segregated fund.

(f)

This committee supports/opposes more than one Federal candidate, and is NOT a separate segregated fund or party committee.

## 6. Name of Any Connected Organization or Affiliated Committee

Mailing Address

CITY ▲

STATE ▲

ZIP CODE ▲

Relationship

Type of Connected Organization:

Corporation

Corporation w/o Capital Stock

Labor Organization

Membership Organization

Trade Association

Cooperative

Write or Type Committee Name

MONTAGNA FOR CONGRESS, INC

7. Custodian of Records: Identify by name, address (phone number - optional) and position of the person in possession of committee books and records.

Full Name TREASURER

Mailing Address

Title or Position ☐ CITY ☐ STATE ☐ ZIP CODE ☐

Telephone number

8. Treasurer: List the name and address (phone number - optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name of Treasurer NEVES, ERIKSSON, JAGARMailing Address PO BOX 615Title or Position ☐ CITY ☐ STATE ☐ ZIP CODE ☐TREASURER Telephone number 202-462-4178

Full Name of Designated Agent

Mailing Address

Title or Position ☐ CITY ☐ STATE ☐ ZIP CODE ☐

Telephone number

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.

LAKE CITY BANK

Mailing Address

202 E CENTER ST

WARSAW

IN

46580

CITY ▲

STATE ▲

ZIP CODE ▲

Name of Bank, Depository, etc.

Mailing Address

CITY ▲

STATE ▲

ZIP CODE ▲

29044244686  
27039434683



# FEC FORM 2

## STATEMENT OF CANDIDACY

RECEIVED  
FEC MAIL CENTER

JUN 14 11 51 AM '07

1. (a) Name of Candidate (in full) <b>MICHAEL ANTHONY MONTAGANO</b>		2. Identification Number
(b) Address (number and street) <b>6105 N. 190th W</b>		
(c) City, State, and ZIP Code <b>HOWE, INDIANA 46746</b>		3. Is This Statement <input checked="" type="checkbox"/> New (N) OR <input type="checkbox"/> Amended (A)
4. Party Affiliation <b>DEMOCRAT</b>	5. Office Sought <b>U.S. HOUSE OF REP.</b>	6. State & District of Candidate <b>IN-3</b>

### DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

7. I hereby designate the following named political committee as my Principal Campaign Committee for the 2008 election(s).  
(year of election)

NOTE: This designation should be filed with the appropriate office listed in the instructions.

(a) Name of Committee (in full) <b>MONTAGANO FOR CONGRESS, INC.</b>
(b) Address (number and street) <b>P.O. BOX 615</b>
(c) City, State, and ZIP Code <b>GOSHEN, INDIANA 46526</b>

### DESIGNATION OF OTHER AUTHORIZED COMMITTEES

(including Joint Fundraising Representatives)

8. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in full)
(b) Address (number and street)
(c) City, State, and ZIP Code


### DECLARATION OF INTENT TO EXPEND PERSONAL FUNDS (House or Senate Only)

9. I intend to expend personal funds exceeding the threshold amount (see 11 C.F.R. 408.6) by

9A	0.00	for the primary election, and
9B	0.00	for the general election.

If you do not intend to expend personal funds exceeding the threshold amount for either election, you must enter "0.00" for each.

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Signature of Candidate 	Date <b>05/03/07</b>
---	-------------------------

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to penalties of 2 U.S.C. §437g.

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FECA/MSB/PCF

FEC FORM 2 (REV. 03/2005)

29044244687  
27038434678

FEC  
FORM 1

STATEMENT OF  
ORGANIZATION

RECEIVED  
FEC MAIL CENTER  
2007 JUL 12 AM 11:56

Office Use Only

1. NAME OF  
COMMITTEE (in full)

(Check if name  
is changed)

Example: Typing type  
over the lines.

12FRANS

MONTAGANO FOR KIDNERS RIGHTS, INC.

ADDRESS (number and street)

P.O. Box 615

✓ (Check if address  
is changed)

GOSHEN

IN

76527-0615

CITY A

STATE A

ZIP CODE A

COMMITTEE'S E-MAIL ADDRESS

montano@montano.org

COMMITTEE'S WEB PAGE ADDRESS (URL)

http://montano.org

COMMITTEE'S FAX NUMBER

-

2. DATE

07/11/2007

3. FEC IDENTIFICATION NUMBER ▶

C00434697

4. IS THIS STATEMENT

NEW (N)

OR

✓ AMENDED (A)

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

JOSEPH ANTHONY MONTAGANO

Signature of Treasurer



Date

07/11/2007

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. 9507.

ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.

Office  
Use  
Only

For further information contact:  
Federal Election Commission  
Toll Free 800-424-9530  
Local 202-694-1100

FEC FORM 1  
(Revised 02/2005)

29044244689  
27039470550

5. TYPE OF COMMITTEE (Check One)

- (a) ☒ This committee is a principal campaign committee. (Complete the candidate information below.)
- (b) ☐ This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate MICHAEL ANTHONY MONTAGANO

Candidate Party Affiliation DEM Office Sought ☒ House ☐ Senate ☐ President State IN District 03

- (c) ☐ This committee supports/apposes only one candidate, and is NOT an authorized committee.

Name of Candidate \_\_\_\_\_

- (d) ☐ This committee is a \_\_\_\_\_ (National, State or subordinate) committee of the \_\_\_\_\_ (Democratic, Republican, etc.) Party.

- (e) ☐ This committee is a separate segregated fund.

- (f) ☐ This committee supports/apposes more than one Federal candidate, and is NOT a separate segregated fund or party committee.

6. Name of Any Connected Organization or Affiliated Committee

\_\_\_\_\_  
\_\_\_\_\_

Mailing Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CITY A

STATE A

ZIP CODE A

Relationship \_\_\_\_\_

Type of Connected Organization:

Corporation

Corporation with Capital Stock

Labor Organization

Membership Organization

Trade Association

Cooperative

Write or Type Committee Name

7. Candidates of Records: Identify by name, address (phone number -- optional) and position of the person in possession of committee books and records.

Full Name TREASURER

Mailing Address \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Title or Position V CITY A STATE A ZIP CODE A

\_\_\_\_\_ Telephone number \_\_\_\_\_

8. Treasurer: List the name and address (phone number -- optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name of Treasurer JOSEPH ANTHONY MONTANA

Mailing Address P.O. BOX 6115  
 \_\_\_\_\_  
KOSHAR W 76527-0615

Title or Position V CITY A STATE A ZIP CODE A

TREASURER Telephone number \_\_\_\_\_

Full Name of Designated Agent KURT WILLIAM REIS

Mailing Address P.O. BOX 6115  
 \_\_\_\_\_  
KOSHAR W 76527-0615

Title or Position V CITY A STATE A ZIP CODE A

ASST. TREASURER Telephone number \_\_\_\_\_

29044244690  
27039470551

**9. Banks or Other Depositories:** List all banks or other depositories in which the committee deposits funds, holds accounts, or has safety deposit boxes or mailboxes.

Name of Bank, Depository, etc.

LAKE CITY BANK

Mailing Address

12012 CENTRAL ST

WARSAM

IN

461510

CITY

STATE

ZIP CODE

Name of Bank, Depository, etc.

Mailing Address

CITY

STATE

ZIP CODE

# FEC FORM 2 STATEMENT OF CANDIDACY

RECEIVED  
FEC MAIL CENTER

1. (a) Name of Candidate (in full) <b>MICHAEL ANTHONY MONTAGANO</b>		2007 JUL 12 AM 11:56
(b) Address (number and street) <b>56022 DANA DR.</b>		2. Identification Number <b>000434697</b>
(c) City, State, and ZIP Code <b>BRISTOL IN 46507</b>		3. Is This Statement <input type="checkbox"/> New <input type="checkbox"/> Renewed <input checked="" type="checkbox"/> (a)
4. Party Affiliation <b>DEMOCRAT</b>	5. Office Sought <b>U.S. HOUSE OF REP.</b>	6. State & District of Candidate <b>IN-3</b>

## DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

7. I hereby designate the following named political committee as my Principal Campaign Committee for the \_\_\_\_\_ election(s).  
(year of election)

NOTE: This designation should be filed with the appropriate office listed in the instructions.

(a) Name of Committee (in full) <b>MONTAGANO FOR CONGRESS INC.</b>
(b) Address (number and street) <b>P.O. Box 615</b>
(c) City, State, and ZIP Code <b>GOSHEN, IN 46527-0615</b>

## DESIGNATION OF OTHER AUTHORIZED COMMITTEES

(excluding Joint Fundraising Representatives)

8. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in full)
(b) Address (number and street)
(c) City, State, and ZIP Code

## DECLARATION OF INTENT TO EXPEND PERSONAL FUNDS (House or Senate Only)

9. I intend to expend personal funds exceeding the threshold amount (see 11 C.F.R. 403.2) by

SA	0.00	for the primary election, and
SB	0.00	for the general election.

If you do not intend to expend personal funds exceeding the threshold amount for either election, you must enter "0.00" for each.

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Signature of Candidate <b>Michael Montagano</b>	Date <b>07/11/2007</b>
--	---------------------------

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to penalties of 2 U.S.C. §437g.

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FEB00000100

FEC FORM 2 (FEB. 2007)

29044244692  
27030470555

# UNITED STATES HOUSE OF REPRESENTATIVES FINANCIAL DISCLOSURE STATEMENT

Period Covered: January 1, 2007 - April 30, 2007

FORM B  
For use by candidates  
and new employees

MAY 31 2007

LEGISLATIVE RESOURCE CENTER

2007 JUN 11 PM 3:30

THE CLERK  
OFFICE OF THE CLERK  
(Office Use Only)

Name: <u>Michael Anthony Montabano</u> P.O. Box 615, Coatesville, PA 19024 (Please Print Name)		Date of Birth: <u>07/16/1958</u> (MM/DD/YYYY)	
Title: <u>Candidate for the House of Representatives</u> District: <u>3rd</u>	Date of Election: <u>07/16/108</u> (MM/DD/YYYY)	Check if Amendment: <input type="checkbox"/>	A \$200 penalty shall be assessed against anybody who files more than 30 days late.
Status: <input checked="" type="checkbox"/> Candidate for the House of Representatives <input type="checkbox"/> New officer or employee	Employing Office: _____		

In all sections, please type or print clearly in black ink.

## PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

I. Did you or your spouse have "unearned" income (e.g., salaries or fees) of \$200 or more from any source in the reporting period? If yes, complete and attach Schedule I.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IV. Did you hold any reportable positions on or before the date of filing in the current calendar year or in the prior two years? If yes, complete and attach Schedule IV.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
II. Did you, your spouse, or a dependent child receive "unearned" income of more than \$200 in the reporting period or hold any reportable asset worth more than \$1,000 at the end of the period? If yes, complete and attach Schedule II.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	V. Did you have any reportable agreement or arrangement with an outside entity? If yes, complete and attach Schedule V.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
III. Did you, your spouse, or a dependent child have any reportable liability (more than \$10,000) during the reporting period? If yes, complete and attach Schedule III.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	VI. Did you receive compensation of more than \$5,000 from a single source in the two prior years? If yes, complete and attach Schedule VI.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.

## EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

TRUSTS—Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or a dependent child? (See Instructions, page B.)

Yes ☐ No ☒

EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?

Yes ☐ No ☒

## CERTIFICATION — THIS DOCUMENT MUST BE SIGNED BY THE REPORTING INDIVIDUAL AND DATED

This Financial Disclosure Statement is required by the Ethics in Government Act of 1976, as amended. The Statement will be available to any requesting person upon written application and will be reviewed by the Committee on Standards of Official Conduct or its designees. Any individual who knowingly and willfully violates, or who knowingly and willfully fails to file this report may be subject to civil penalties and criminal sanctions (See 5 U.S.C. app. 4, § 104 and 18 U.S.C. § 1001).

I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual: <u>Michael Montabano</u>	Date (MM/DD/YYYY): <u>5/30/07</u>
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Exhibit B

20070530062

NAME	MICHAEL ANTHONY McUTRAN	page 2 of 5
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Let the source, type, and amount of earned income, including honoraria, from any source (other than your current employment by the U.S. Government) totaling \$200 or more during the current year to the filing date and, separately, the preceding calendar year. For a spouse, list the source and amount of any honoraria; but only the source for other spouse earned income exceeding \$1,000.

[illegible]

**This page may be copied if more space is required.**

29044244694





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[illegible]

# **SCHEDULE V--AGREEMENTS**

Name

Michael Anthony  
Montano

Page

5 of 5

Identify the date, parties to, and general terms of any agreement or arrangement with respect to: future employment; a leave of absence during the period of government service; continuation or deferral of payments by a former or current employer other than the U.S. Government; or continuing participation in an employee welfare or benefit plan maintained by a former employer.

Date	Parties To	Terms of Agreement
05/08/07	STREET: REAGANS US / Mount Merano	LEAVE OF ABSENCE DUAL CIVILIAN / COURT SERVICE

## **SCHEDULE VI--COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE**

Report sources of such compensation received by you or your business affiliation for services provided directly by you during the two prior years. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any nonprofit organization if you directly provided the services generating a fee or payment of more than \$5,000. Exclude payments by the U.S. Government and any information considered confidential as a result of a privileged relationship recognized by law. Do not repeat information listed on Schedule I.

Source (Name and Address)

Example: Doe Jones & Smith, Hornsboro, Hornsville

Accounting services

Brief Description of Duties

DMC / XL	LEGAL SERVICES
PUBLIC UNIVERSITY, WEST LAKEVIEW, MD	LEGAL SERVICES

# UNITED STATES HOUSE OF REPRESENTATIVES FINANCIAL DISCLOSURE STATEMENT

FORM B

For use by candidates and new employees

Period covered: January 1, 2007 - April 30, 2007

Michael Anthony Montano

574-971-7408

(Full Name)

(Daytime Telephone)

Rank 1st  
Title 1st  
Branch 1114107

Employing Office

Check if  
Amended

A \$200 penalty shall be assessed against anybody who files more than 30 days late.

U.S. HOUSE OF REPRESENTATIVES  
(Please Use Only)

2007 MAY 21 PM 3:30

MAY 13 2007

## PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

1. Did you or your spouse have "unearned" income (e.g., salaries or fees of \$200 or more from any source) in the reporting period? If yes, complete and attach Schedule 1.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	2. Did you have any reportable transaction or arrangement with an outside entity? If yes, complete and attach Schedule 2.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	3. Did you receive compensation of more than \$5,000 from a single source in the last year? If yes, complete and attach Schedule 3.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
4. Did you, your spouse, or a dependent child receive "unearned" income of more than \$200 in the reporting period or hold any reportable transaction or arrangement with an outside entity? If yes, complete and attach Schedule 4.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	5. Did you have any reportable transaction or arrangement with an outside entity? If yes, complete and attach Schedule 5.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	6. Did you receive compensation of more than \$5,000 from a single source in the last year? If yes, complete and attach Schedule 6.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.

## EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

TRUSTS—Do you, regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or a dependent child? (See instructions, page 6.)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

3  
2  
1

**Excludes: Military pay (such as National Guard or Reserve pay), federal retirement programs, and benefits received under the Social Security Act.**

[illegible]

**This page may be copied if more space is required.**

29044244699

# **SCHEDULE B—ASSETS AND "UNEARNED" INCOME**

Name **Michael Anthony**  
**MARRIAGE**

Page **2** of **5**

BLOCK A Asset and/or Income Source		BLOCK B Value of Asset		BLOCK C Type of Income		BLOCK D Type of Income																					
<p>Identify (a) each asset held for investment or production of income with a fair market value exceeding \$1,000 at the end of the reporting period, and (b) any other asset or source of income which generated more than \$200 in "unearned" income during the year. For rental property or land, provide a complete address. Provide full names of estate and mutual funds (do not use their symbols). For all IRAs and other retirement plans (such as 401(k) plans) that are self-directed IRAs, plans in which you have the power, even if not exercised, to select the specific investments, provide the value and income information on each asset in the account that exceeds the reporting threshold. For retirement plans that are not self-directed, name the institution holding the account and its value at the end of the reporting period. For an estate business that is not publicly traded, state the name of the business, the nature of its activities, and its geographic location. In Block A, for additional information, use the instruction booklet.</p> <p>Exclude: Your personal residence (unless there is rental income); any debt owed to you by your spouse, or by you or your spouse's estate, parent, or sibling; any deposits totaling \$5,000 or less in personal savings accounts; any financial interest in or income derived from U.S. Government retirement programs.</p> <p>If you so choose, you may include here an asset or income source in that of your spouse (S) or dependent child (DC) or in jointly held (JT), in the optional column on the far left.</p>		<p>Indicate value of asset at close of reporting year. If you use a valuation method other than fair market value, please specify the method used.</p> <p>If an asset was sold during the reporting year and is included only because it generated income, the value should be "None."</p>		<p>Check all columns that apply. For retirement plans or accounts that do not allow you to choose equities in investments, you may write "IRA." For all other assets including all IRAs, indicate the type of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if asset did not generate any income during calendar year.</p>		<p>For retirement plans or accounts that do not allow you to choose specific investments, you may write "N/A" for income. For all other assets, including all IRAs, indicate the category of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if no income was received.</p>																					
		A None	B \$1,001 - \$15,000	C \$15,001 - \$50,000	D \$50,001 - \$100,000	E \$100,001 - \$250,000	F \$250,001 - \$500,000	G \$500,001 - \$1,000,000	H \$1,000,001 - \$5,000,000	I \$5,000,001 - \$25,000,000	J \$25,000,001 - \$50,000,000	K None	L None	M None	N None	O None	P None	Q None	R None	S None	T None	U None	V None	W None	X None	Y None	Z None
	<b>College Accounts</b>																										
	<b>Low-Cost Assets</b>																										

For additional assets and unearned income, use next page.

290424700

# **SCHEDULE III — LIABILITIES**

Name Michael Anthony  
Murphy

Page 4 of 5

Report liabilities of over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the reporting period. Exclude: Any mortgage on your personal residence (unless there is rental income); loans secured by automobiles, household furniture, or appliances; liabilities of a business in which you own an interest; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report revolving charge accounts (i.e., credit cards) only if the balance at the close of the previous calendar year exceeded \$10,000.

SP, DC, JT	Creditor	Type of Liability	Amount of Liability									
			A	B	C	D	E	F	G	H	I	J
	Example: First Bank of Washington, Delaware	Mortgage on 100 Main Street, Dover, Del.										
	Sally Mae, Raleigh, VA	Student Loans			X							

## **SCHEDULE IV — POSITIONS**

Report all positions, compensated or uncompensated, held on or before the date of filing during the current calendar year and in the two prior years as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. Exclude: Positions listed on Schedule I; positions held in any religious, social, fraternal, or political entities; and positions solely of an honorary nature.

Position	Name of Organization
Answer	Spencer's Business LLC, Louisville, IN

Use additional sheets if more space is required.

# **SCHEDULE V—AGREEMENTS**

Name Michael Anthony McLennan

Page 5 of 5

Identify the date, parties to, and general terms of any agreement or arrangement with respect to future employment, a lease of space during the period of government service, continuation or deferral of payments by a former or current employer other than the U.S. Government, or continuing participation in an employee welfare or benefit plan established by a former employer.

Date	Parties To	Terms of Agreement

## **SCHEDULE VI—COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE**

Report sources of such compensation received by you or your business affiliation for services provided directly by you during the two prior years. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any nonprofit organization if you directly provided the services generating a fee or payment of more than \$5,000. Exclude payments by the U.S. Government and any information considered confidential as a result of a privileged relationship recognized by law. Do not report information listed on Schedule I.

Source (Name and Address)	Brief Description of Duties
<i>Example</i> Doe Jones & Smith, Houston, Texas	Accounting services
DBL/KR Leontis, Inc., 1111111111	Legal Services via SPACERBANKING (2002)
PURDUE UNIVERSITY, WEST LAFAYETTE, IN	Legal Services via SPACERBANKING (2002)



①

ELKHART CITY RECORDER  
CHRISTOPHER J ANDERSON  
FILED FOR RECORD  
AS PRESENTED

2007 26093

2007 SEP 18 P 1:34

WARRANTY DEED

Grantor's Mailing Address:	Property Address:	Tax Parcel No.:
	58022 Dora Drive	20-07-09-104-
	Elkhart, IN 46507	001-000-001, 20-07-09-104-002-000-
		011, and 20-07-09-104-003-000-019

This Instrument Witnesseth, That Jane McClelland, as Trustee of the Jane McClelland Revocable Trust Dated November 24, 1987, and any amendments thereto, as to Parcel I, and Donald E. McClelland and Jane McClelland, also known as E. Jane McClelland, husband and wife, as to Parcel II,

Convey(s) and Warrant(s) to Michael Montgano and Joseph Montgano **Metropolitan Title**

for the sum of Ten & 00/100 Dollars (\$10.00) and other valuable consideration, the following described real estate in Elkhart County, in the State of Indiana:

Parcel I: Lots I and 30 as designated on the recorded 2nd Replat of Amberwood Hills, a subdivision in Jefferson Township; said Replat being recorded in Plat Book 14, page 56 in the Office of the Recorder of Elkhart County, Indiana.

Parcel II: Lot Number Seven (11) as the said lot is known and designated on the recorded 2ND REPLAT OF AMBERWOOD HILLS, a subdivision in Jefferson Township; said Replat being recorded in Plat Book 14, page 56 in the Office of the Recorder of Elkhart County, Indiana.

Subject to real estate taxes not yet due and payable.

Grantor, Jane McClelland, certifies that she is the same person as E. Jane McClelland, a grantor in a deed recorded June 25, 1990, in the Office of the Recorder of Elkhart County, Indiana, as Instrument No. 90-12010.

The undersigned certifies that said trust is in full force and effect, that the undersigned before the duly qualified trustees/grantees of said trust with full power to execute this document on behalf of such trust, and that the real estate described herein has not previously been transferred from said trust.

Responsibility for the performance of the undersigned fiduciary's obligations hereunder, is limited to, and assumed only by the trust estate it administers, and no personal or individual liability of the fiduciary in its non-fiduciary or private status or capacity, is created by this instrument.

Subject to any and all covenants, agreements, and restrictions of record.

Signed this 12 day of June, 2007

Donald E. McClelland      Jane M. McClelland

Donald E. McClelland      Jane McClelland

Jane McClelland Revocable Trust dated November 24, 1987

by Jane M. McClelland

Jane McClelland

Tr. John

29044244703

2  
Ben  
22

== DISCLOSURE FEE PAID ==

File No.: 257023      Page 1 of 2

DEPT. OF REVENUE

SUBJECT TO: 9/11/07 20 02

004583      AUDITOR

TRANSFER FEE 15.00

PARCEL NO. 1

Exhibit C

2007 26093

Acknowledgment

State of Ohio, Summit County:

Before me, a Notary Public in and for the said County and State, personally appeared Jane McChalland, individually and as Trustee of the Jane McChalland Revocable Trust Dated November 24, 1987, and Donald E. McChalland, who acknowledged the execution of the foregoing Warranty Deed, and who, having been duly sworn, stated that any representations therein contained are true.

Witness my hand and notarial seal this 12 day of July, 2007.

My commission expires:

3-3-2008

Signature Norren Evans

Printed Norren Evans

Notary Public

Residing in 2120 Riverside Dr. County, Summit



This instrument prepared by: Louis Klatch, Attorney at Law.

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

Lisa Wright  
Notary

29044244704

ELKHART COUNTY RECORDER  
CHRISTOPHER J. ANDERSON  
FILED FOR RECORD  
AS PRESENTED

2007 26094

2007 SEP 18 PM 1:34

### WARRANTY DEED

Grantee's Mailing Address:

Property Address:

Dana Drive  
Bristol, IN 46507

Tax Parcel No.: 20-07-09-104-

002.000-019 and 20-07-09-104-

003.000-019

Metropolitan Title

This Indenture Witnesseth, That Michael Montagano and Joseph Montagano

Convey(s) and Warrant(s) to Joseph Montagano

for the sum of Ten & 00/100 Dollars (\$10.00) and other valuable consideration, the following described real estate in Elkhart County, in the State of Indiana:

Lots Number Ten (10) and Eleven (11) as the said Lot is known and designated on the recorded 2ND REPLAT OF AMBERWOOD HILLS, a subdivision in Jefferson Township; said Replat being recorded in Plat Book 14, page 96 in the Office of the Recorder of Elkhart County, Indiana.

Subject to real estate taxes not yet due and payable.

Subject To any and all easements, agreements, and restrictions of record.

Signed this 13 day of July, 2007.

Michael Montagano

Joseph Montagano

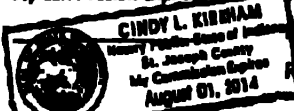
Acknowledgement

State of Indiana; Elkhart County:

Before me, a Notary Public in and for the said County and State, personally appeared Michael Montagano and Joseph Montagano, who acknowledged the execution of the foregoing Warranty Deed, and who, having been duly sworn, stated that any representations therein contained are true.

Witness my hand and notarial seal this 13 day of July, 2007.

My commission expires:



Signature

Printed

Notary Public

Residing in

County, Indiana

This instrument prepared by: Louis Klitch, Attorney at Law.

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:

Cindy Kirkham

File No.: 257823

Page 1 of 1

RECEIVED  
9/18/07  
004584  
TRANSFER FEE 15.00  
PAGE NO.

2007 29020

ELKHART CITY RECORDER  
CHRISTOPHER J. ANDERSON  
PL 20 FOR RECORD  
AS PROCEEDING

2007 OCT 17 P 2:45

(Space Above This Line For Recording Date)

1290703661

**MORTGAGE****DEFINITIONS**

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated October 11, 2007, together with all Riders to this document.
- (B) "Borrower" is MICHAEL MONTAGANO AND JOSEPH MONTAGANO

(12) Borrower is the mortgagor under this Security Instrument.

(C) "Lender" is LAKE CITY BANK

Lender is a Commercial Bank  
the laws of the State of Indiana

282 E. CENTER ST, WARSAW, IN 46581-1387

organized and existing under  
Lender's address is

Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated October 11, 2007. The Note states that Borrower owes Lender Two Hundred Twenty Six Thousand and no/100

Dollars (U.S. \$ 226,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than November 01, 2037

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower (check box as applicable):

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> Second Home Rider  |
| <input type="checkbox"/> Balloon Rider         | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Other(s) (specify) |
| <input type="checkbox"/> 1-4 Family Rider      | <input type="checkbox"/> Biweekly Payment Rider         |   |

INDIANA—Single Family—Fixed Rate/Flexible Rate UNIFORM INSTRUMENT

FORM 4075L1 (8/07)

(Page 1 of 12 pages)

1290703661

Form 3015 L/01

To Order Call: 1-800-628-0776

29044244706

- (H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
- (I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
- (J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
- (K) "Escrow Items" means those items that are described in Section 3.
- (L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentation of, or omissions as to, the value and/or condition of the Property.
- (M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
- (N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
- (O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
- (P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

#### TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) 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 and Lender's successors and assigns the following described property located in the \_\_\_\_\_ County \_\_\_\_\_ of \_\_\_\_\_ ELKHART \_\_\_\_\_  
(Type of Recording Jurisdiction) (Place of Recording Jurisdiction)

LOT 9 AS DESIGNATED ON THE RECORDED 2ND REPLAT OF AMBERWOOD HILLS, A SUBDIVISION IN JEFFERSON TOWNSHIP, SAID REPLAT BEING RECORDED IN PLAT BOOK 14, PAGE 88 IN THE OFFICE OF THE RECORDER OF ELKHART COUNTY, INDIANA.

which currently has the address of

58022 DANA DRIVE

BRISTOL  
(City)

, Indiana

46507  
(Zip Code)

("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

INDIANA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1000.2 (10/97)

(Page 3 of 12 pages)

Form 3015 1/01

Equal Housing  
To Order Call 1-800-452-6776  
1290703801

29044244707

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.

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

1. **Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. **Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. **Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are 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 obtain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within

such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender 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 Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, 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, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all loans secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, household payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

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, but only as long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; 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 can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. **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, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentence can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time mappings or similar charges occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage.

INDIANA—Single Family—Purchase Money/Purchase Money UNIFORM INSTRUMENT

FORM 1000-1 (07/07)

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Form 3015 1001

Continued on  
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1290703881

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Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of program payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If 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 the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. **Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. **Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to no condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of program payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. **Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in



connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. **Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. **Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that was due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has—if any—with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. **Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer'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 can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. **Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. **Notice.** All notice given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. **Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. 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.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

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

18. **Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require

immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. **Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) 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, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentally or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. **Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. **Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. 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 (including, but not limited to, hazardous substances in consumer products).

INDIANA—Single Family—Furnish Meas/Provide Meas UNIFORM INSTRUMENT

FORM 900LS (9/07)

(Page 9 of 12 pages)

Form 2015 L01


Revised 12/15/14  
To Order Call: 1-800-828-0776  
1200703001


20044244714

2007 29020

**YOU ARE NOT OBLIGATED TO PAY ANY MONEY UNLESS YOU SIGN THIS CONTRACT AND RETURN IT TO THE SELLER/LENDER.**

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 through 12 of this Security Instrument and in any Rider executed by Borrower and recorded with it.

 (Seal)  
MICHAEL MONTAGANO - Borrower

 (Seal)  
JOSEPH MONTAGANO - Borrower

\_\_\_\_ (Seal) \_\_\_\_\_ (Seal)  
- Borrower - Borrower

\_\_\_\_ (Seal) \_\_\_\_\_ (Seal)  
- Borrower - Borrower

Witness: \_\_\_\_\_ Witness: \_\_\_\_\_

29044244715

2007 29020

State of Indiana

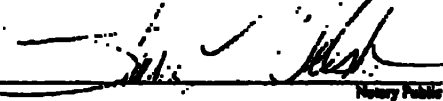
SS:

County of ELKHART

Before me, THE UNDERSIGNED (a Notary Public) this 11th day of  
October 2007, MICHAEL MONTAGANO AND JOSEPH MONTAGANO

acknowledged the execution of the annexed mortgage.

(name(s) of signer(s))

  
Notary Public



My commission expires:  
County of residence:



This instrument was prepared by: KIRTUS D MURRAY, VICE PRESIDENT, LAKE CITY BANK  
(Name)

After Recording Return To:  
LAKE CITY BANK  
202 E. CENTER ST  
WARSAW, IN 46581-1387

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. Kirtus D Murray, Vice President, Lake City Bank

INDIANA—Single Family—Fannie Mae/ Freddie Mac UNIFORM INSTRUMENT

(Form 1004-12/07)

(Page 12 of 12 pages)

1206703881  
Form 1015 1/01

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To Order Call: 1-800-486-6776

29044244716

07-09A-008-

**USE CODE**  
**07**

MEMORANDUM  
NOTE99 03 34 91  
NOTE01 SEE ALSO 2


CITATIONS			
EXTENDED VALUE	INFLUENCE FACTOR	TRUE TAX VALUE	
00	48520	%	48520
		%	
		%	
		%	
		%	
		%	

EXTENDED VALUE	INFLUENCE FACTOR	TRUE TAX VALUE
	%	48,500
	%	
	%	
	%	
	%	

# CULTURAL

TAXRG475  
CMD1 TO END

**TAX PAYMENTS HISTORY**  
**PARCEL # 0709104001**

8/28/08

CMD14 TO PRINT

②

TRANS #	DATE	CRT	AMOUNT PAID	TYPE	MORT CODE	DUPL #	COMMENT
844937	11/13/07	17	712.46	RE		6117084	JOSEPH MONTAGANO*
825421	7/27/07	15	15.00	DR		6117084	METROPOLITAN TITLE
825421	7/27/07	15	2,029.82	RE		6117084	METROPOLITAN TITLE
794883	10/19/06	7	1,131.73	RE		5115624	
778759	5/19/06	2	1,131.73	RE		5115624	AT: LAKE CITY BANK (PAID IN WA
765900	11/29/05	15	193.08	RE		4114360	
765435	11/21/05	15	1,163.86	RE		4114360	DONALD W MCCLELLAND
716264	4/28/05	7	1,233.58	RE		4114360	
675300	10/06/04	17	2,475.52	RE		3113428	
635425	12/09/03	17	2,381.26	RE		2112250	
593154	10/28/02	15	1,470.79	RE		1111106	
553687	4/11/02	15	1,470.79	RE		1111106	
531710	10/04/01	15	1,423.24	RE		0052888	
504159	4/09/01	7	1,423.24	RE		0052888	
499259	12/06/00	15	1,547.48	RE		9051472	

+

Waiting on tax rate

Check back late Sept. First  
week of October.

Checked for prepayment, none available

1-574-535-6759

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