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Ret: Century 21-McColly Realty
7725 Broadway
Merrillville, In. 46410

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MODIFICATION AND ASSUMPTION AGREEMENT

THIS AGREEMENT, Made and entered into by, between and among the FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF GARY, a United States Corporation, having its principal office in the City of Gary, Lake County, Indiana, hereafter referred to as "Association," and Roy K. Mitchell and Iva J. Mitchell, his wife, hereinafter referred to as "Borrower", and John Clifford Smith, hereinafter referred to as "Assumee",

WITNESSETH, That:

WHEREAS, the Association is the owner and holder of a promissory note of the Borrower for the original principal sum of Thirty-seven thousand five hundred (\$37,500.00) Dollars, bearing date of October 28, 1978, together with that certain real estate mortgage securing the payments thereof as made and executed by the Borrower to the Association concurrently with the execution of the aforesaid note, and recorded as document Number 499264, in the Office of the Recorder of Lake County, Indiana on November 1, 1978, describing and covering the following described real estate, to wit:

The East 164 feet of the North 80 feet of the South 970 feet of that part of the Southwest 1/4 of the Northeast 1/4 of Section 30, Township 36 North, Range 8 West of the Second Principal Meridian in Lake County, Indiana, described as follows: Beginning at a point 60 rods West of the Southeast corner thereof; thence North 30 rods; thence East 20 rods; thence South 30 rods; thence West 20 rods to the point of beginning, more commonly known as 3959 Wallace Drive, Gary, Indiana.

and;

WHEREAS, the Borrower has now defaulted in the payment of installments and other sums due and payable under the terms of mortgage and note and said default has continued in excess of (60) days; and

WHEREAS, the Association has exercised its option to declare an acceleration of the unpaid balance of the note and all advances made under it, or the mortgage securing it, together with interest, and has notified Borrower that said amounts are now due and payable and the Association has filed proceedings for its collection including the foreclosure of said mortgage and note in the Lake Circuit Court, Cause No. C31-6151; and

WHEREAS, the Borrower desires for the Association to agree to set aside said acceleration, to set aside and dismiss the above-described foreclosure proceedings even though the Borrowers' will not be able to reinstate the account or reduce the total balance due thereon below the sum now due and owing in excess of \$42,000.00 including principal, interest, property maintenance expense, costs, and attorney fees as set out in the foreclosure complaint, rather than demanding its full balance due thereon because of the Borrowers' default, and to further accept the Assumption of the indebtedness by the Assumee to the extent of \$39,500.00 only; and

WHEREAS, the Association is willing to accept such an Assumption on the condition that the Borrowers and the Assumees agree to a modification of the terms of the above-described promissory note, whereby said reduced balance of \$39,500.00 will be repayable over the remaining term of said promissory note with interest thereon at the increased rate of twelve (12%) per cent per annum.

NOW THEREFORE, in consideration of the Associations' forbearance, dismissal without prejudice of foreclosure proceedings and waiver of sums due and owing above the amount of \$39,500.00, the sum of \$1200.27 (including \$545.55 tax escrow funds) paid by Borrower and Assumee to the Association herewith, and the mutual covenants and promises hereinafter set forth, it is hereby agreed as follows:

PIONEER NAT'L TITLE INS. CO.

MAR 5 11 13 AM '82
WILLIAM BIELSKI JR
RECORDER

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

Handwritten initials/signature

1. That the aggregate balance remaining unpaid upon the aforesaid indebtedness as of the date hereof is the sum of Thirty-nine thousand five hundred (\$39,500.00) Dollars, with interest payable from February 1, 1982;

2. That the Association has received from Assumee as part of this agreement the sum of Five hundred forty-five and 55/100 (\$545.55) Dollars in escrow to be used toward the payment of the real estate taxes as they come due;

3. That said remaining indebtedness, with interest from February 1, 1982 thereon at the rate of twelve (12%) per cent per annum on the unpaid balance remaining from time to time, shall be due and payable as follows:

The principal and interest shall be payable in monthly installments of Four hundred Eleven and 72/100 (\$411.72) Dollars each, commencing on the 1st day of March, 1982, and continuing on the 1st day of each month thereafter, until the entire indebtedness, if not sooner paid, shall be due and payable on the 1st day of December, 2003.

all of which the Borrower and Assumee jointly and severally promise and agree to pay, without relief from valuation and appraisement laws and with attorney's fees in case of default;

4. That in addition to the principal and interest installments set out in paragraph 3 above, the Borrower and Assumee hereby reaffirm and agree to abide by all of the covenants contained in said Note and Mortgage which in part provide for the payment of one twelfth of the annual tax, assessment, insurance premiums and other annual charges on the real estate described in said mortgage, monthly, by Borrower to the Association, in addition to the principal and interest payments above provided for, and Borrower hereby agrees to begin these monthly payments on the 1st day of March, 1982 in the current estimated amount of Forty (\$40.00) Dollars per month, notwithstanding the amounts paid into escrow as part of the agreement by Assumee.

5. The Borrower and Assumee further covenant and agree that any deficiency in the amount of such aggregate monthly payment shall, unless made good by the Borrower prior to the due date of the next such payment, constitute an event of default under the mortgage and note. In the event that any payment shall become overdue for a period in excess of fifteen (15) days, the Borrower and Assumee agree to pay a "late charge" of five cents (\$.05) for each dollar (\$) so overdue, for the purpose of defraying the expense incident to handling the delinquent payment and shall in addition pay the costs and expenses of collection, including reasonable attorney fees, should the matter be turned over to an attorney for collection.

6. The Assumee hereby covenants that he is the owner of the property described in the aforesaid mortgage and that said mortgage is a valid and subsisting first lien thereon; that there are no offsets, counterclaims, or defenses to the sum above-mentioned as remaining unpaid, or to any part thereof, either at law or in equity; and that said mortgage shall continue as a valid first lien upon the real estate hereinabove and therein described, as security for the repayment of said remaining unpaid balance, with interest, at the time and in the manner hereinabove provided;

7. The Borrower and Assumee further agree that all terms, conditions, and covenants of the aforesaid note and mortgage shall remain unaltered and in full force and effect except as expressly modified by terms set out herein which shall govern over conflicting terms of the original note and mortgage.

8. That the Association agrees to proceed to set aside its acceleration of the balance due, waive the previous defaults, and dismiss without prejudice the foreclosure proceedings now pending, and to pay its attorneys fees due in the amount of \$500.00 out of the monies received as consideration pursuant to this agreement;

9. That the Association shall consider the above-described promissory note completely reinstated on a current basis as of this date with all previous defaults in payments by the Borrower having been cured by this agreement; and hereafter will accept installment payments from borrower and apply them to the reduced balance due of \$39,500.00 as set out herein pursuant to the terms of this agreement and the underlying mortgage instruments described herein.

10. That Assumee agrees that if all or any part of the real estate or an interest therein is sold or transferred by Assumee without Association's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to the Mortgage described herein; (b) the creation of a purchase money security interest for household appliances; (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase. Association may, at Association's option, declare all the sums secured by the Mortgage to be immediately due and payable.

IN WITNESS WHEREOF, the Association, the Borrower and the Assumee have executed this agreement in duplicate as of the 1st day of February, 1982.

ASSOCIATION:

FIRST FEDERAL SAVINGS AND
LOAN ASSOCIATION OF GARY

By Joseph R. Paunicka
JOSEPH R. PAUNICKA, President

ATTEST:

Thomas A. Kopko
THOMAS A. KOPKO, Secretary-Treasurer

BORROWERS:

By Roy R. Mitchell
ROY R. MITCHELL

By Iva J. Mitchell
IVA J. MITCHELL

ASSUMEE:

John Clifford Smith
JOHN CLIFFORD SMITH

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

On this 2nd day of February, 1982, before me the undersigned, a Notary Public, for said County and State, personally appeared ROY R. MITCHELL and IVA J. MITCHELL, his wife and JOHN CLIFFORD SMITH and acknowledged the execution of the foregoing instrument as their voluntary act and deed.

Witness my hand and official seal.

Nancy Shumaker
NOTARY PUBLIC

My Commission Expires: NANCY SHUMAKER
NOTARY PUBLIC STATE OF INDIANA
County of Residence: OSHEL CO.
MY COMMISSION EXPIRES DEC 29 1984
ISSUED THRU INDIANA NOTARY ASSOC.

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOSEPH R. PAUNICKA, President and THOMAS A. KOPKO, Secretary-Treasurer known to me to be such Officers of FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF GARY and acknowledged the execution of the foregoing Release of Mortgage, as such officers for

and on behalf of said Corporation and by authority of its Board of Directors.

Witness my hand and notarial seal this 2nd day of February 1982.

Nancy Shumaker
NOTARY PUBLIC

My Commission Expires:

NANCY SHUMAKER

NOTARY-PUBLIC STATE OF INDIANA

County of Residence:

PORTER CO.

MY COMMISSION EXPIRES DEC 28 1984

ISSUED THRU INDIANA NOTARY ASSOC.



This instrument prepared by:

ANDREW J. VOPEL
Attorney at Law
100 East 30th Place
Merrillville, IN 46410
Telephone: (219) 769-6671