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MODIFICATION AGREEMENT

Peoples Fed
Hmd
124100-85-1

This Agreement made this 31st day of May 1985, by Peoples Federal Savings and Loan Association of Hammond, Indiana, a United States Corporation, party of the first part, hereinafter called Mortgagee and Ray Szarmach, party of the second part hereinafter called Mortgagor.

The parties hereto mutually stipulate as follows:

1. The Mortgagor is indebted to Mortgagee under a certain promissory note (Loan #7292-9) dated March 15, 1982, in the principal amount of Forty Thousand Seven Hundred Dollars and no cents (\$40,700.00) said note being secured by a mortgage dated even therewith and recorded on March 26, 1982 as Document No. 663316 in the Office of the Recorder of Lake County, Indiana.

2. Mortgagor represents to Mortgagee that there is no second mortgage or other subsequent lien now outstanding against the real property described in the aforesaid mortgage held by Mortgagee, and that the lien of the aforesaid mortgage held by Mortgagee is valid, first, and subsisting lien on said real property.

3. In consideration of the premises and of the mutual agreement herein contained, and upon the express condition (1) that the lien of the aforesaid mortgage held by Mortgagee is a valid, first, and (2) that there is no second mortgage or lien to the mortgage held by Mortgagee and further upon the express understanding that breach of either condition shall void this Agreement, the parties hereby agree to the following terms:

a. That the above stated note and mortgage shall remain in full force and effect in all respects except as modified herein. The covenants of said note and mortgage are expressly incorporated by reference herein.

b. The parties hereto mutually agree that there is an outstanding principal balance of Forty Thousand One Hundred and Eighty Four and 04/100 Dollars (\$40,184.04) on said mortgage which shall bear interest at a rate of Twelve and One-Quarter (12.25%) percent per annum from this date until May 31, 1988. The principal and interest evidenced by said note and mortgage shall be paid in consecutive monthly installments of Four Hundred and Eighty Eight and 76/100 (\$488.76) beginning on the 1st day of June, 1985 and shall continue each month thereafter until the entire indebtedness due is paid in full except that any remaining indebtedness, if not sooner paid, shall be due and payable on May 31, 1988.

c. In addition to the monthly principal and interest payment

TICOR TITLE INSURANCE
Crown Point, Indiana

STATE OF INDIANA
CLERK OF SUPERIOR COURT
LAKE COUNTY, INDIANA
RECORDED
MAY 31 1985

6/5/85

stated above, Mortgagor shall make a principal payment of One Thousand Dollars (\$1,000.00) beginning on July 1, 1985 and every six months thereafter up to and including January 1, 1988.

In Witness Whereof, the parties have set their hands and seals hereto.

[Signature]
Mortgagor

BY: [Signature]
Peoples Federal Savings and Loan Association

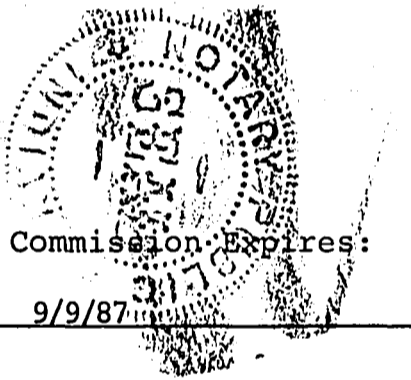
COUNTY OF LAKE)
STATE OF INDIANA) SS:

Before me, the undersigned, a Notary Public in the aforesaid County and state, on this 17th day of June, 1985, personally appeared.

Ray Szarnach

and acknowledged the execution of the mortgage modification agreement dated this 31st day of May, 1985.

Witness my hand and official seal.



[Signature]
Deborah A. Hensley
Notary Public

My Commission Expires:
9/9/87

County of Residence
Lake

This Instrument Prepared By:

FRANK J. BOCHNOWSKI
Attorney at Law
1300 Sheffield Avenue
Dyer, IN 46311
(219) 322-2636