CH Form 391 (Indiv.) Rev. 5/6/86

REO No. 3802 Fannie Mac NowiyEN313-008808-1

860445

SPECIAL WARRANTY DEED

700% BROADWAY MERRILLVILLE, IN 48410

This Deed is from FEDERAL NATIONAL MORTGAGE ASSOCIATION, a corporation organized and existing under the laws of the United States, having its principal office in the City of Washington, D.C. ("Grantor"), to Robert E. Watts and Karen S. Watts, husband and wife as tenants by the entirety, ("Grantee"), and to Grantee's heirs and assigns.

For value received, Grantor hereby grants, remises, aliens and conveys unto Grantee, and to Grantee's heirs and assigns forever, but without recourse, representation or warranty, except as expressed herein, all of Grantor's right, title and interest in and to that certain tract or parcel of land situated in the County of Lake, State of Indiana, described as follows (the "Premises"):

Key # 18-22 -9
The South 15 feet of Lot 8 and Lot 9, except the South 12 feet thereof, Block 3 in Hobart Lake Shore Subdivision, to Hobart, as per plat thereof, recorded in Plat Book 21 page 9, in the Office of the Recorder of Lake County, Indiana, commonly know as 153 S. Virginia Street, Hobart, Indiana.

> And Grantor, for itself and its successors does covenant, promise and agree, to and with Grantee, Grantee's heirs and assigns, that Grantor has not done or suffered to be done anything whereby the Premises hereby granted are, or may be, in any manner encumbered or charged, except as herein recited; and that Grantor will warrant and forever defend title to the Premises, against all persons lawfully claiming or who may claim the same, by, through or under Grantor but not otherwise.

Subject to real estate taxes and special assessments.

Grantor is exempt from all taxation imposed by any state count municipality, or local taxing authority, except for and property taxes. Thus, Grantor is exempt from any and all transfer taxes. See, 12 U.S.C. 1723a (c)(2).

No Indiana Gross Income Tax is due or payable in respect transfer made by this instrument.

Date: June 10, 1986

Witnessed: (Michigan and Ohio

properties only)

FEDERAL NATIONAL MORTGAGE

ASSOCIATION

DULY ENTERED.

By:

maked Karen A. Runnels

Assistant Vice President

Attest:/

Nicolas Villagome Assistant Secreta

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COUNTY OF COOK

The foregoing instrument was acknowledged before me, a notary public commissioned in Cook County, Illinois, this June 10, 1986, by Karen A. Runnels, Assistant Vice President, and Nicolas Villagomez; Assistant Secretary, of Federal National Mortgage Association, United States corporation, on behalf of the corporation.

My commission expires: January 26, 1990

This instrument was prepared by Conrad M. Mulvaney, Federal Nationa Mortgage Association, One South Wacker Drive, Suite 3100, Chicago, Illinois 60606.