

129005-86
Novogroder

TICOR TITLE INSURANCE
Highland, Indiana

Loan No. 7280-011

860510

MODIFICATION AGREEMENT

THIS AGREEMENT, made and entered into by and between HOBART FEDERAL SAVINGS AND LOAN ASSOCIATION, a United States Corporation, having its principal office in the City of Hobart, Lake County, Indiana, (hereinafter referred to as "Lender"), and LAKE COUNTY TRUST COMPANY, as Trustee under a Trust Agreement dated July 1, 1979 and known as Trust No. 2857, and GEORGE NOVOGRODER, jointly and severally, (hereinafter referred to as "Borrowers"),

W I T N E S S E T H:

WHEREAS, the Lender is the owner and holder of a Promissory Note of the Borrowers for the original principal sum of Five Hundred Thousand (\$500,000.00) Dollars, bearing a date of March 18, 1985, together with that certain Real Estate Mortgage on the following described real estate located in Lake County, Indiana:

Lot 85 (also known as Parcel 59) in Merrillville Broadview Addition, as per plat thereof, recorded Plat Book 32 page 53, in the Office of the Recorder Lake County, Indiana.

(hereinafter referred to as the "real estate").

securing the payment thereof, as made and executed by the Borrowers to the Lender concurrently with the execution of the aforesaid Note, and recorded as Document No. 799498 in the Office of the Recorder of Lake County, Indiana on April 16, 1985; and

JUN 25 9 35 AM '85
RECORDED
STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORDER

WHEREAS, the Borrowers wish to modify their loan by fixing the interest rate for the remaining term of the loan, adjusting the monthly installment due, and ballooning the balance remaining due on May 24, 1996; and

WHEREAS, the Lender is willing to permit said modification of the loan provided the Borrowers agree to the modification as provided herein, and to the payment of a fee in consideration of the Lender modifying said loan;

NOW, THEREFORE, in consideration of the amount paid to the Lender for modification of the loan, and other good and valuable consideration, the receipt of which is hereby acknowledged by the Lender, it is hereby agreed as follows:

1. That the aggregate balance remaining unpaid on the aforesaid indebtedness as of May 27, 1986 is \$490,045.44, plus accrued interest of \$4,594.95, which accrued interest Borrowers shall pay at the time of the execution of this Agreement.

2. That beginning on May 27, 1986, Borrowers will pay interest on the unpaid principal balance at a rate of Ten and One-Half (10½%) Percent per annum until paid. Interest will be computed monthly upon the principal sum unpaid at the beginning of each month, based on a 360 day year and twelve thirty day months. The amount of interest so found due shall be deducted from the amount of the aggregate payments made during the next succeeding month and the balance of the aggregate of such payments shall be credited against the principal. The principal and interest shall be payable at 555 East Third Street, Hobart, Indiana, or such other place as the Lender may designate in writing, in consecutive monthly installments of Four Thousand Eight Hundred Ninety-Three and 00/100 (\$4,893.00) Dollars commencing on the 1st day of July, 1986 and continuing on the first day of each month thereafter until May 24, 1996, at which time the remaining principal balance plus all accrued interest and other expenses, if not sooner paid, shall be due and payable in full by Borrowers. In other words, this loan is payable in full on May 24, 1996. The Lender will be under no obligation to

Handwritten initials or signature.

refinance the loan at that time. The Borrowers will, therefore, be required to make payment out of other assets it may own, or will have to find a lender willing to lend the money at the prevailing market rates which may considerably higher or lower than the interest rate on this loan. The monthly installments due, pursuant to this modification, are computed based on an amortization of the balance of this loan over a 20 year period.

3. The loan may be prepaid in part or in full with interest to date of payment and with a prepayment premium as herein set out on the amount prepaid, provided that a 30 day prior written notice be given of any such prepayment. A prepayment premium on the amount prepaid shall be paid to the Lender on all prepayments made on this loan. Said prepayment premium shall be the greater of one-fourth ($\frac{1}{4}$) of one (1%) percent of the amount prepaid or one hundred ten (110%) percent of the present value of the interest rate difference between the contract rate of the advance used to fund this loan and the posted rate on a current advance with a term approximately equal to the remaining term to maturity of the advance being prepaid times the amount prepaid as determined in accordance with the policies and procedures used by the Federal Home Loan Bank of Indianapolis in computing the prepayment premium due on its special limited series advance program with a maturity of ten (10) years issued during May, 1986. In no event shall the prepayment premium computed pursuant to the preceding sentence be less than the amount assessed by the Federal Home Loan Bank of Indianapolis to the Lender on the advance used to fund this loan. Prepayments shall be applied to the principal balance and shall not extend or postpone the due date of any subsequent monthly installment or change the amount of such installments, unless the Lender shall agree otherwise in writing. The Lender may require that any partial prepayments be made on the date monthly installments are due and be in the amount of that part of one or more monthly installments which would be applicable to principal. Said prepayment premium will continue throughout the remaining term of this loan until May 24, 1996, at which time the balance remaining due shall be due and payable in full without a prepayment premium.

4. That paragraph 3(B) of the Adjustable Rate Mortgage Note entitled "Borrower's Prepayments" is hereby deleted in total.

5. If any installment is not received by the Lender within ten (10) calendar days after the installment is due, the Borrowers shall pay to the Lender a late charge of five (5%) percent of such installment, such late charge to be immediately due and payable without demand by the Lender hereof. If any installment remains past due for thirty (30) calendar days or more, the outstanding principal balance shall bear interest during the period in which the Borrowers are in default at a rate of fifteen (15%) percent per annum, or if such rate of interest may not be collected from the Borrowers under applicable law, then at the maximum increased rate of interest, if any, which may be collected from the Borrowers under applicable law.

6. That paragraph 19 of the Real Estate Mortgage entitled "Transfers of the Property or Beneficial Interests in Borrower; Assumption", is hereby deleted in total, and said paragraph 19 shall now read as follows:

"19. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER; ASSUMPTION. On sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this Mortgage to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 20 of this Mortgage. This option shall not apply in case of:

(a) transfers by devise or descent or by operation of law upon the death of a joint tenant or a partner;

(b) the grant of a leasehold interest in a part of the Property of three years or less (or such longer lease term as Lender may permit by prior written approval) not containing an option to purchase."

7. The Borrowers hereby covenant that said mortgage is a valid and subsisting first lien on the real estate and that there are no offsets, counterclaims or defenses to the sum 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 herein described as security for the repayment of the remaining unpaid balance with interest at the time and in the manner therein provided.

8. The Borrowers further jointly and severally agree that all terms, conditions and covenants of the aforesaid Note and Mortgage shall remain unaltered and in full force and effect, except as herein expressly modified or supplemented. In the event of any conflict, inconsistency, or incongruity between the provisions of this Modification and any of the provisions of the Promissory Note and Real Estate Mortgage dated March 18, 1985, the provisions of this Modification Agreement shall in all respects govern and control.

9. This Modification Agreement is executed by the undersigned, LAKE COUNTY TRUST COMPANY, as Trustee under a Trust Agreement dated July 1, 1979 and known as Trust No. 2857, not individually, but solely as trustee, and said Trust Agreement is hereby made a part hereof, and any claims against said trustee which may result from the signing of this Modification Agreement shall be payable only out of the trust property which is the subject of this Modification Agreement, or held by the undersigned in trust, as trustee, and it is expressly understood and agreed by the parties hereto, notwithstanding herein anything to the contrary, that each and all of the undertakings and agreements of the trustee, or for the purpose of binding the trustee personally by this Modification Agreement, is executed and delivered by the trustee solely in the exercise of the powers conferred upon it as such trustee, and no personal liability or personal responsibility is assumed by, or shall at any time be asserted or enforced against said trustee on account of any undertakings or validity or condition of the title to said real estate, or for any agreement with respect thereto. All representations of the undersigned are those of the undersigned's beneficiaries only.

IN WITNESS WHEREOF, the Lender and the Borrowers have executed this Modification Agreement as of the 28th day of May, 1986.

LAKE COUNTY TRUST COMPANY,
as Trustee under a Trust
Agreement dated July 1, 1979
and known as Trust No. 2857

By: Donna L. Campbell
DONNA L. CAMPBELL
Vice President & Trust Officer
Attest: Charlotte L. Keilman
CHARLOTTE L. KEILMAN
Assistant Trust Officer

George Novogroder
GEORGE NOVOGRODER

HOBART FEDERAL SAVINGS
AND LOAN ASSOCIATION, a
United States Corporation

By: James H. Greiner
James H. Greiner, President
Attest: Richard D. Zickmund
Richard D. Zickmund, V. P.
& Assist. Sec'y.

