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ASSUMPTION AND MODIFICATION AGREEMENT

This agreement made this 15th day of May 1990 by Peoples Bank, A Federal Savings Bank of Munster, Indiana a United States Corporation, party of the first part, hereinafter called Mortgagee and John B. Balazs and Margaret Balazs, Husband and Wife, Party of the second part, hereinafter called Mortgagor, and William R. Stanson and Ingeborg Stanson, Husband and Wife, Parties of the third part, hereinafter called the Purchaser.

The parties hereto mutually stipulate as follows:

1. Mortgagor is indebted to Mortgagee under a certain promissory note dated July 15, 1986, in the principal amount of Forty Two Thousand Five Hundred and 00/100 (\$42,500.00) on said note being secured by a mortgage dated even therewith and recorded on July 18, 1986 as Document No. 864888 in the Office of the Recorder of Lake County, Indiana on the following described property:

LOT 1, BLOCK 6, RESUBDIVISION OF BLOCKS 13, 14, 15 AND LOTS 12 TO 30, BOTH INCLUSIVE, BLOCK 16, AND BLOCKS 17, 26, 27, AND 28 IN THAT PART OF EAST CHICAGO, LYING IN THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND P. M., IN THE CITY OF EAST CHICAGO, AS SHOWN IN PLAT BOOK 5, PAGE 27, IN LAKE COUNTY, INDIANA.

2. The Mortgagor has sold and conveyed to Purchaser all of the real property described in the said mortgage, and both Mortgagor and Purchaser have requested Mortgagee to enter into this Agreement.

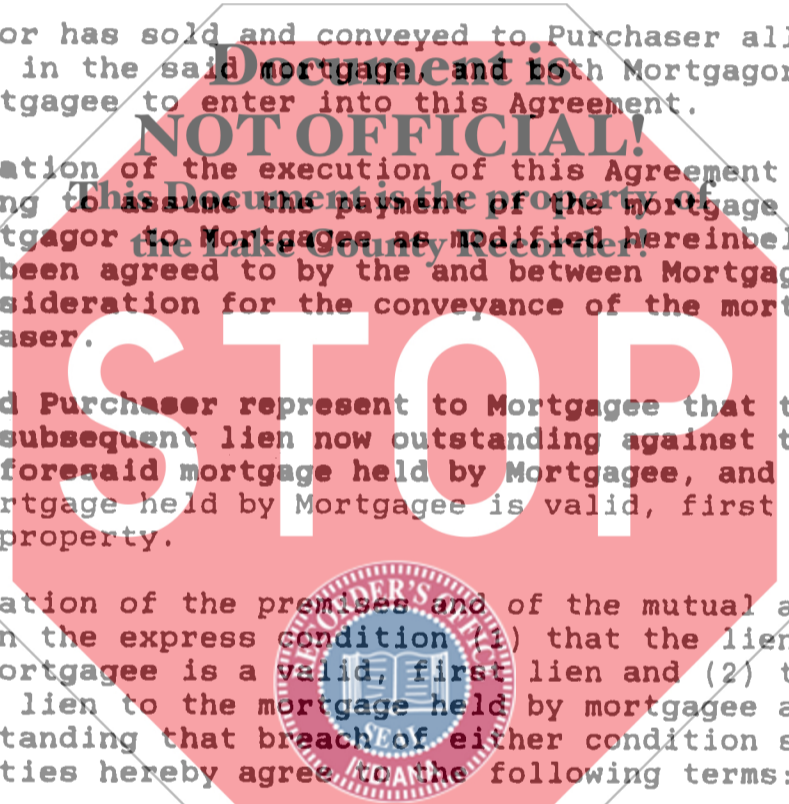
3. In consideration of the execution of this Agreement by Mortgagee, Purchaser is willing to assume the payment of the mortgage indebtedness due and owing from Mortgagor to Mortgagee as modified hereinbelow, such assumption having been agreed to by the and between Mortgagor and Purchaser as part of the consideration for the conveyance of the mortgaged premises by Mortgagor to Purchaser.

4. Mortgage and Purchaser represent 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 aforestated mortgage held by Mortgagee is valid, first and subsisting lien on said real property.

5. 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 lien 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. Assumption of Note and Mortgage. Purchaser and Mortgagor hereby covenant, promise, and agree to be bound by each and every term of the aforementioned note and mortgage except as modified hereinbelow. The parties hereto recognize, however, the reduction of the principal amount of said note and the payment of interest thereon to the extent of the payments made by Mortgagee prior to the date of the Agreement.

b. Modification of Mortgage of Note. William R. Stanson and Ingeborg Stanson, Husband and Wife are obligated to Mortgagee, jointly and severally for the payment of the principal balance of Thirty Seven Thousand Three Hundred Five and 34/100 (37,305.34) with interest at a rate of 11.00% per annum until May 31, 1991. The interest rate may change on June 1, 1991 and on that day every twelve months thereafter. The principal and interest shall be paid by William R. Stanson and Ingeborg Stanson, Husband and Wife in consecutive monthly installments of Four Hundred Eighty Two and 83/100 (\$482.83), subject to interest rate changes, beginning on July 1, 1991 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 to September 30, 2001.



STATE OF INDIANA  
DEPARTMENT OF REVENUE  
DIVISION OF TAXATION  
CHICAGO TITLE INSURANCE COMPANY

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COUNTY OF LAKE )  
STATE OF INDIANA )

Before me, the undersigned, a Notary Public in the aforesaid County and State, on this 15<sup>th</sup> day of May, 1990, personally appeared John B. Bataz, Margaret R. Bataz, William R. Stansel and Ingeborg Stansel

and acknowledged the execution of the mortgage modification and assumption agreement dated May 15, 1990.

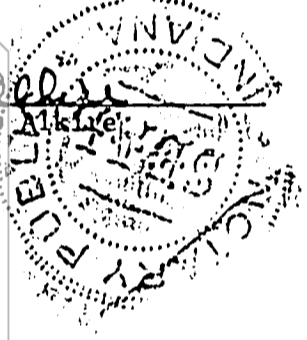
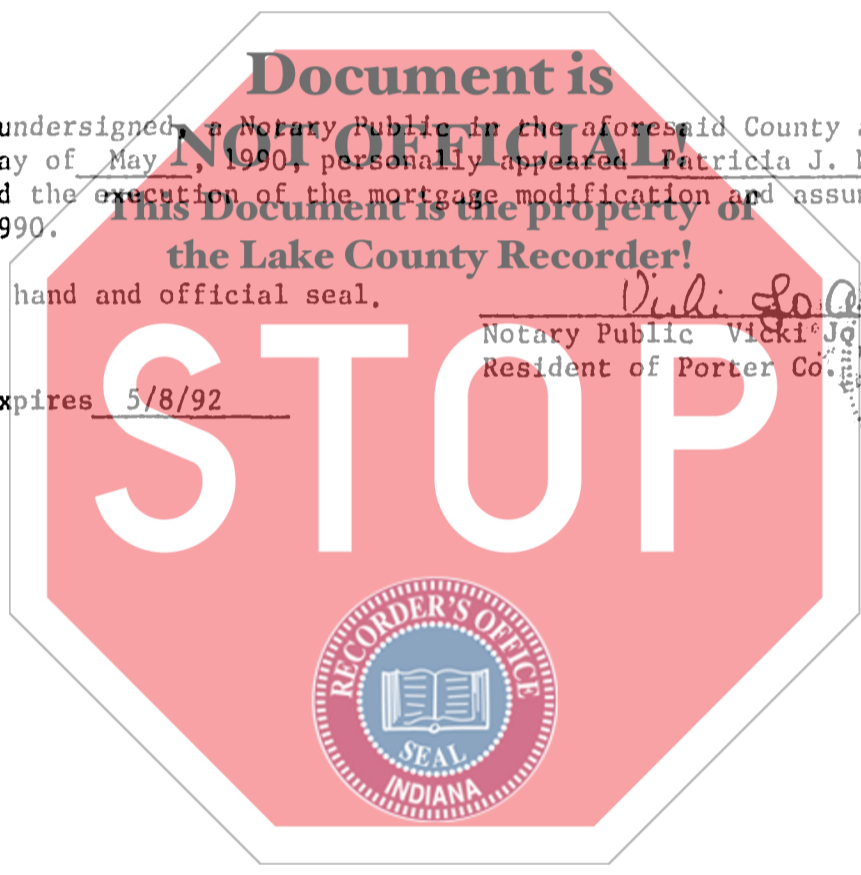
Witness my hand and official seal. Stephen P. Freeman  
Notary Public  
My commission expires NOTARY PUBLIC STATE OF INDIANA PORTER COUNTY Resident of Porter County  
MY COMMISSION EXP JULY 3, 1992

This Instrument Prepared By: Frank J. Bochnowski, Attorney at Law  
9204 Columbia Avenue, Munster, Indiana 46321  
(219-836-9690).

COUNTY OF LAKE  
STATE OF INDIANA

Before me, the undersigned, a Notary Public in the aforesaid County and State on this 15th day of May, 1990, personally appeared Patricia J. Mrvan and acknowledged the execution of the mortgage modification and assumption agreement dated May 15, 1990.

Witness my hand and official seal. Vicki Jo Alkire  
Notary Public Vicki Jo Alkire  
My Commission expires 5/8/92 Resident of Porter Co.



It is expressly understood and agreed that said mortgage and note shall remain in full force and effect in all respects. The covenants of said mortgage and note are expressly incorporated by reference herein.

c. Beginning with the first Change Date, the interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new Index which is based upon comparable information. The Note Holder will give notice of this choice.

d. Before each Change Date, the Note Holder will calculate the new interest rate by adding Three and 250/1000 (3.250%) percentage points to the Current Index. The Note Holder will then round the result of the addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be the new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the principal which you are expected to owe at the Change Date in full on September 30, 2001 at your new interest rate in substantially equal payments. The result of this calculation will be the new amount of the monthly payment.

e. The new interest rate will become effective on each Change Date. You will pay the amount of the new monthly payment beginning on the first monthly payment date after the Change Date until the amount of the monthly payment changes again.

f. The Note Holder will deliver or mail to you a notice of any changes in the interest rate and the amount of the monthly payment before the effective date of any change. The notice will include information required by law to be given and also title and telephone number of person who will answer any questions you may have regarding the notice.

g. The maximum yearly interest rate that will be charged is 14.500%.

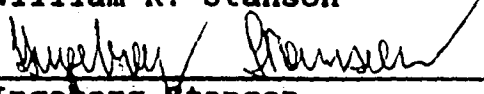
h. The minimum yearly interest rate that will be charged is 8.500%

i. Interest rate adjustments will not exceed 2.00% per change period.

j. In the event Mortgagee is required to take action to enforce collection of the indebtedness due under said mortgage, by foreclosure or otherwise, Mortgagee hereby agrees that it will never institute any action, suit, claim or demand, in law or equity, against John B. Balazs and Margaret Balazs, Husband and Wife for or on account of any deficiency.

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

  
\_\_\_\_\_  
William R. Stanson

  
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Ingeborg Stanson

  
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John B. Balazs

  
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Margaret R. Balazs

Peoples Bank, A Federal Savings Bank

By:   
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Patricia J. Moran, Assistant Secretary