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AMASA G. COLBY
CHIEF DEP. RECORDER

Loan No. 21-092290-6

NORTHWEST INDIANA TITLE SERVICES, INC.
152 Washington Street
Lafayette, Indiana 46335
763-0777 or 695-2220

MODIFICATION and EXTENSION AGREEMENT

THIS AGREEMENT, Made and entered into by and between the HFS BANK, F.S.B., a United States Corporation, having its principal office in the City of Hobart, Lake County, Indiana, hereinafter referred to as "BANK" and TERRY C. NAGY AND KAREN L. NAGY hereinafter referred to as "BORROWERS,"

WITNESSETH, That:

WHEREAS, the Bank is the owner and holder of a promissory note of the Borrowers for the original sum of EIGHTY FIVE THOUSAND DOLLARS AND NONE (\$ 85,000.00) Dollars, bearing date of DECEMBER 8, 1994 together with that certain real estate mortgage securing the payments thereof as made and executed by the Borrowers to the Bank concurrently with the execution of the aforesaid note and recorded 1/1 Mortgage Record as Document # Page 94083545 in the Office of the Recorder of Lake County, Indiana; and

WHEREAS, the Borrowers desire a modification and extension of the time and terms of payment of the aforesaid indebtedness;

NOW THEREFORE, in consideration of the sum of One (\$1.00) Dollar and other good and valuable considerations, the receipt whereof is hereby acknowledged by the Bank, it is hereby agreed as following:

1. That the aggregate balance remaining unpaid upon the aforesaid indebtedness as of the date hereof is the sum of EIGHTY FIVE THOUSAND DOLLARS AND NONE (\$ 85,000.00) Dollars;

2. That said remaining indebtedness, with interest thereon at the rate of 8.25 per cent per annum on the unpaid balance of principal remaining from time to time, shall be due and payable as follows:

NOTE TO BE A 10 YR. ADJUSTABLE @ 8.375% 30 YR. AMORT.
FIRST PAYMENT TO BE FEBRUARY 1, 1995
PRINCIPAL & INTEREST PAYMENT \$638.58

all of which the Borrowers jointly and severally promise and agree to pay, without relief from valuation and appraisal laws, and with attorney's fees.

3. The Borrowers hereby covenant that they are the owners 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 premises therein described, as security for the repayment of said remaining unpaid balance, with interest, at the time and in the manner hereinabove provided.

4. 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.

IN WITNESS WHEREOF, the Bank and the Borrowers have executed this agreement as of 30th day of December, 1994

HFS BANK, F.S.B.

BY: Kathleen Kolanowski
KATHLEEN KOLANOWSKI, VICE PRES.

Terry C. Nagy (SEAL)
TERRY C. NAGY

Karen L. Nagy (SEAL)
KAREN L. NAGY

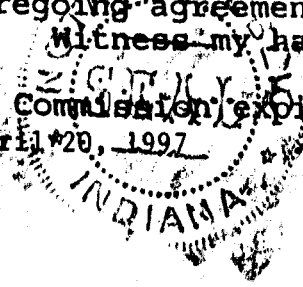
STATE OF INDIANA)
COUNTY OF LAKE) SS:

Before me, the undersigned, a Notary Public, in and for said County and State, this 30th day of December, 1994, personally appeared the within name HFS BANK, F.S.B. by Kathleen Kolanowski its, Vice-President and Terry C. Nagy and Karen L. Nagy the within named Bank and Borrowers, who acknowledged the execution of the foregoing agreement for the uses and purposes therein set forth.

Witness my hand and notarial seal.

My Commission expires:
April 20, 1997

Angie Korchar
ANGIE KORCHAR Notary Public



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