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MORTGAGE AGREEMENT

WHEREAS, PHYLLIS J. SMITH is the purchaser of or owner providing rehabilitation of a home on certain real property (together the "Premises") in Lake County, described as;

LOT 18 AND THE WEST ONE -HALF (1/2) OF LOT 19, EXCEPT THE NORTHERN FIVE (5) FEET OF LOT 18 AND THE NORTHERN FIVE (5) FEET OF THE WEST ONE -HALF (1/2) OF LOT 19, IN BLOCK 4 OF THE MORRIS PARK ADDITION TO THE CITY OF HAMMOND, LAKECOUNTY, INDIANA; KEY NO. 35-111-17; MORE COMMONLY KNOWN AS 1344 MICHIGAN ST. HAMMOND, IN 46320.

and;

WHEREAS, Bank Calumet of Hammond IN received a direct pay subsidy in the amount of \$ 5,000.00 (Subsidy) under the Home Savings Program (HSP) of the Federal Home Loan Bank of Indianapolis (FHLBI), subject to the Federal Housing Finance Board, FHFB, regulations 12 C. F. R. 960. 1 et seq. for the purposes of providing funding for Downpayment and Closing Costs assistance or Owner Occupied rehabilitation of the above mentioned home, and;

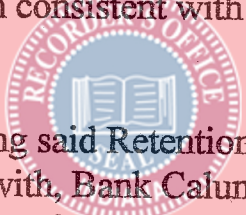
WHEREAS, for a period of 5 years (retention period) after the date of the within Agreement the HSP requires (1) that all purchasers of the Premises qualify as "low- and moderate-income households" or "very low-income households" as defined in 12 C. F. R. 960. 1, AND (2) that the use of said Premises otherwise shall remain consistent with the purposes of the HSP, and;

WHEREAS, if at any time during said Retention Period the foregoing requirements are not complied with, Bank Calumet will be required to reimburse FHLBI for the amount of the Subsidy less subsidy forgiven on a prorata basis of the Subsidy for each month that the foregoing requirements were complied with and;

WHEREAS, PHYLLIS J. SMITH (collectively the

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STATE OF INDIANA
LAKE COUNTY
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"Undersigned") are purchasers/owners of the above described Premises;

NOW THEREFORE in consideration of the Premises and as an inducement to Bank Calumet disbursing the Subsidy to Purchaser, come the Undersigned and represents and warrants as follows:

1. That the Undersigned qualifies as a "low- and moderate-income household" or "very low-income household" as defined in 12 C.F.R. 960. 1.
2. That if within 5 years of the date of the within Agreement (1) the Undersigned sell the Premises or (2) the Undersigned otherwise uses the Premises in a manner inconsistent with the puposes of th HSP, the Undersigned shall immediately reimburse Bank Calumet from sale proceeds if applicable, for the amount of the Subsidy then owing to the FHLBI as based on the prorata subsidy forgiveness for months that the household was in compliance.
3. That the covenants of the within Agreement shall bind the successors and assigns of the Undersigned.
4. That in the event that any provision of this Agreement is in conflict with applicable law, such conflict shall not conflict with other provisions of this Agreement. To these end provisions of this Agreement are declared to be severable.

Signed this 8th day of April, 2005

Witnesses:

Robert Lende

Purchasers/owners

X Phyllis J. Smith
PHYLLIS J. SMITH

Subscribed and sworn to before me a Notary Public in and for the Lake County, State Of Indiana, This 8th day of April 2005

My commission expires _____

Carol K. McCormack

CAROL K. McCORMACK
Notary Public, State of Indiana
County of Lake
My Commission Expires Dec. 1, 2011