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Loan No. 21-109510-8

MODIFICATION AND EXTENSION AGREEMENT

THIS AGREEMENT, Made and entered into by and between 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 PETER J. PECO hereinafter referred to as "BORROWER(S)".

WITNESSETH, That:

WHEREAS, the Bank is the owner and holder of a promissory note of the Borrower(s) for the original principal sum of FOURTY ONE THOUSAND TWO HUNDRED FIFTY and 00/100 (\$41,250.00) Dollars, bearing the date of FEBRUARY 23, 2000 together with that certain real estate mortgage securing the payments thereof as made and executed by the Borrower(s) the Bank concurrently with the execution of the aforesaid note, and recorded as Mortgage Record 2000 015093 in the Office of the Recorder of LAKE COUNTY, Indiana for the real estate commonly known as 601 W. 36TH AVE. in GARY, Indiana bearing the Parcel/Key No. of 25-46-330-33 and being legally described in said mortgage.

WHEREAS, the Borrower(s) desire a modification and extension of the time and/or 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 follows:

1. That the aggregate balance remaining unpaid upon the aforesaid indebtedness as of the date herein is the sum of THIRTY SEVEN THOUSAND SIX HUNDRED ELEVEN and 02/100 (\$37,611.02) DOLLARS.
2. That said remaining indebtedness, with interest thereon at the rate of 5.875 per cent per annum on the unpaid balance of principal remaining from time to time, shall be due and payable as follows:

Capitalize the following: 1) Delinquent escrow totaling \$484.62; 2) Delinquent interest totaling \$208.73; 3) Escrow shortage and deficiency totaling \$4,340.30; and 4) the Modification Fee of \$100.00 fee for a grand total of \$5,133.65 added to the existing principal balance of \$32,477.37 resulting in a new principal balance of \$37,611.02. New Principal & Interest payment to begin September 1, 2005 is \$222.48 for a term extended to 360 months.

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

3. The Borrower(s) hereby covenant that they are the owners of the property described in the aforesaid mortgage and that said mortgage is a valid and subsisting 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 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 Borrower(s) 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 Borrower(s) have executed this agreement as of the 9 day of September, 2005.

HFS BANK, F.S.B.

BY Laura Niedbala
LAURA NIEDBALA V.P.

PETER J. PECO (Seal)

(Seal)

State of Indiana)ss:
County of Lake)

Before me, the undersigned, a Notary Public, in and for said County and State, this 9 day of September, 2005, personally appeared the within named HFS BANK, FSB by Laura Niedbala, its Vice President, and Peter J. Peco as Borrower(s), who acknowledged the execution of the foregoing agreement for the uses and purposes set forth herein.

Witness my hand and notarial seal.

Gail A. Hagen
(Notary Public Signature)
Gail A. Hagen
(Typed Name)

Commission expires 8/24/06
Resident of Lake County

This document prepared by GAIL A. HAGEN

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D.S.M.