

This document prepared by  
and return after recording to:  
Mark W. Hianik  
Wildman, Harrold, Allen & Dixon  
225 West Wacker Drive  
Chicago, Illinois 60606-1229

AGREEMENT AND FIRST MODIFICATION  
OF MORTGAGE LOAN NOTE AND MORTGAGE AGREEMENT

THIS AGREEMENT AND FIRST MODIFICATION OF MORTGAGE LOAN NOTE AND MORTGAGE AGREEMENT ("Agreement") is made as of the 25th day of February, 1991, by and between the Bank of Montreal, New York Branch, having an office at 430 Park Avenue, New York, New York 10022 ("Lender"), and James A. Lohead, 8311 Lake Shore Drive, Gary Indiana 46403 ("Borrower").

W I T N E S S E T H:

WHEREAS, on October 17, 1989, Borrower executed a certain Mortgage Loan Note in the principal amount of One Hundred Twenty-Five Thousand and No/100 Dollars (\$125,000.00) payable to the order of Lender ("Note") which Note is secured by a certain Mortgage Agreement of even date, executed by Borrower (the "Mortgage") which Mortgage was recorded on October 24, 1989 in the office of the Lake County Recorder as Document No. 064745 and encumbers the real property described on Exhibit A, attached hereto and incorporated herein by this reference; and

WHEREAS, the parties now desire to increase the amount of the mortgage loan and to modify the Note and the Mortgage as herein provided.

NOW THEREFORE, in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Revised Mortgage Loan Note. Borrower shall execute and deliver to Lender contemporaneously herewith a Revised Mortgage Loan Note in the form attached hereto as Exhibit B and by this reference incorporated herein.

2. Amendment of Mortgage.

(a) The paragraph entitled "Loan" on page 1 of the Mortgage is hereby amended in its entirety to read as follows:

"On February 25, 1991, I signed a Revised Mortgage Loan Note in favor of you in the amount of One Hundred Fifty Thousand Three Hundred Twenty-Four and 62/100 Dollars (\$150,324.62) plus interest, as evidence of the mortgage loan which you have made to me. I agree to repay the loan in accordance with the terms of such Revised Mortgage Loan Note, including any renewals, extensions or modifications thereof. A copy of the Revised Mortgage Loan Note is attached hereto as Exhibit B and by this reference the terms of the Revised Mortgage Loan Note are incorporated herein."

(b) The Revised Mortgage Loan Note attached hereto as Exhibit B shall replace the copy of the Note attached to the Mortgage as Exhibit B.

(c) All the terms, covenants and conditions of the Mortgage, except as are herein specifically modified and amended, shall remain in full force and effect and are hereby adopted and referenced by the parties hereto.

445072-158

CHICAGO TITLE INSURANCE COMPANY  
INDIANA DIVISION



STATE OF INDIANA/S. HO.  
LAKE COUNTY  
FILED FOR RECORD  
FEB 27 1 23 PM '91  
JOSEPH W. REYNOLDS  
RECORDER

21.0000  
ct

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LENDER

BANK OF MONTREAL

By: [Signature]  
Its: Manager/ Loans & Mortgages US

Attest: [Signature]  
Its: Personnel Loans Assistant

BORROWER

[Signature]  
James A. Lohead

STATE OF NEW YORK )  
COUNTY OF NEW YORK )

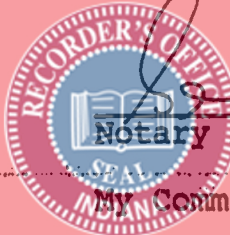
SS:

**Document is**

**NOT OFFICIAL!**

I, the undersigned, a notary public in and for said county and state aforesaid, do hereby certify that Jacques L. Antoine, Manager Loans & Mortgages US of Bank of Montreal, and Personnel Loans Assistant of said bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Manager Loans & Mortgages US and Personnel Loans Assistant respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 22nd day of February, 1991.



My Commission Expires:

Gloria Cruz  
Notary Public, State of New York  
No. 41-490392  
Qualified in Queens County  
Commission Expires October 16, 1991

STATE OF ILLINOIS )  
COUNTY OF COOK )

SS:

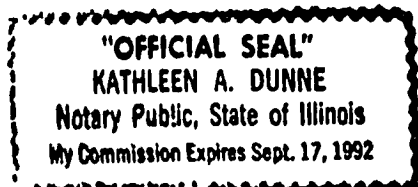
I, the undersigned, a notary public in and for said county and state aforesaid, do hereby certify that James A. Lohead, known to me to be the individual described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 25th day of February, 1991.

Kathleen A. Dunne  
Notary Public

My Commission Expires:

8-17-92



**EXHIBIT A**

**LEGAL DESCRIPTION**

**LOT 3, BLOCK 6, LAKESIDE ADDITION, IN THE CITY OF GARY, AS SHOWN  
IN PLAT BOOK 14, PAGE 25, IN LAKE COUNTY, INDIANA.**

**COMMONLY KNOWN AS:**

**8311 LAKE SHORE DRIVE  
GARY, INDIANA 46403**

**TAX KEY NO. 45-272-3  
TAX UNIT NO. 25**

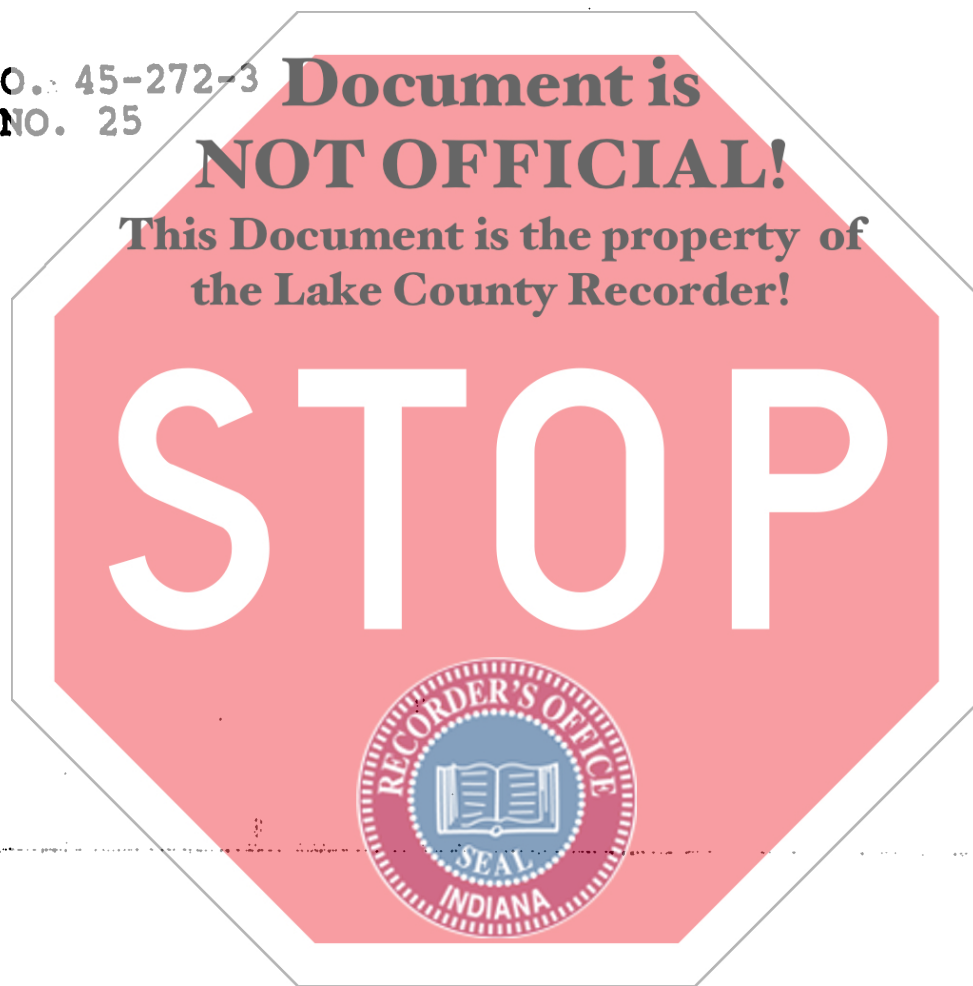


EXHIBIT B

Bank of Montreal, New York Branch  
430 Park Avenue, New York, New York 10022

MORTGAGE LOAN NOTE

**Date** February 25, 1991

**Definitions** "I," "me" and "my" shall mean each and all of the persons, signing this Note and "you" and "your" shall mean the Bank of Montreal, New York Branch or any other owner of this Note.

**Promise to Pay** To repay my mortgage loan, I promise to pay to the order of the Bank of Montreal, New York Branch at its principal office at 430 Park Avenue, New York, New York (or at any other place where the Bank of Montreal, New York Branch or any owner of this Note requests in writing) the amount of One Hundred Fifty Thousand Three Hundred Twenty-Four and 62/100 Dollars (\$150,324.62), with interest on unpaid principal from the date of this Note at the annual rate specified below.

**Adjustment Period** The term of this Note shall be divided into one period of approximately 44 months and five periods of 60 months each (called "Adjustment Periods").

**Interest Rate** The interest rate for this Note may be adjusted at five-year intervals. From the date of this Note through October 29, 1994, the interest rate shall be nine and one-half percent (9.5%) per year. On October 30, 1994 and on every fifth anniversary after that date until the principal and interest have been paid in full, the interest rate adjustment, if any, for the following Adjustment Period shall take effect.

**Index** The adjusted interest rate applicable for each Adjustment Period after the first Adjustment Period shall be the FHA Rate for the first Adjustment Period, adjusted to reflect the movement, in reference to the date of the loan, of the contract interest rate on the purchase of the previously-occupied homes in the Office of Thrift Supervision's (the "OTS") most recent monthly national average mortgage rate index for all major lenders computed as of 120 days before the end of each Adjustment Period.

**Rate Adjustment** You will figure the applicable interest rate for each Adjustment Period as follows:

- 120 days before the end of each Adjustment Period you will compare the OTS index then in effect with the OTS index in effect on the date this Note was signed.

2. If the later OTS index has increased you may adjust the interest rate for the following Adjustment Period by increasing the initial FHA Rate by the same percentage increase by which the OTS index has increased. In no event shall the interest exceed two and one-half percentage points above the interest rate in effect for the current Adjustment Period or five percentage points above the initial FHA Rate.
3. If the later OTS index has decreased you must adjust the interest rate for the following Adjustment Period by decreasing the initial FHA Rate by the same percentage decrease by which the OTS index has decreased. In no event shall the interest decrease exceed two and one-half percentage points below the interest rate in effect or five percentage points below the initial FHA Rate.

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Semi-Monthly  
Payments First  
Adjustment Period

On the 14th and 29th days of each month, beginning March 14, 1991 and ending October 29, 1994, I will make semi-monthly installments of Six Hundred Thirty-Seven and No/100 Dollars (\$637.00). As this Note is dated before the first day of the month, I will pay you interest only, in the amount of Thirty-Nine and 13/100 Dollars (\$39.13), per day, from the date of this Note through February 28, 1991, payable in advance.

Semi-Monthly  
Payments  
Subsequent  
Adjustment  
Periods

On the 14th and 29th days of each month thereafter, beginning on November 14, 1994 until October 29, 2019, (the "Final Payment Date"), I will make equal semi-monthly installments which have been established for each Adjustment Period, changed if required to reflect any adjustment in interest rates as described above. The semi-monthly payments I will be obligated to make shall be sufficient to repay the entire unpaid principal with interest by the Final Payment Date. If on the Final Payment Date there is principal and interest still owing which is not repaid by the last scheduled installment, I shall also then repay that principal and interest.

Late Charge

If I am more than 15 days late in making any payment due to you under this Note, I will pay a late charge to you of two cents for each dollar overdue, to cover your expenses for handling late payments.

Prepayment

I may prepay the loan in full or in part without penalty.

**Termination of Employment**

If at any time and for any reason whatsoever I am no longer employed by the Bank of Montreal as a Grade M1 employee or above (hereinafter called an "Eligible Employee"), you have the right to demand payment of the entire amount I owe you, including interest to the date of payment; provided, however, that such demand may not be made within 90 days following termination of my status as an Eligible Employee of the Bank of Montreal. In addition, if I am demoted, you may require me to prepay that portion of the amount I owe you which is in excess of the amount which I am then entitled to borrow under the Bank of Montreal Employee Loan Program; provided, however, that such demand may not be made until two years following my demotion or until the Final Payment Date, whichever is earlier.

**Security**

This Note is secured by a Mortgage Agreement dated October 17, 1989 and amended pursuant to the terms of a certain Agreement and First Modification of Mortgage Loan Note and Mortgage Agreement of even date herewith covering property located in the City of Gary, County of Lake, and State of Indiana, and being known by the address of 8311 Lake Shore Drive (the "Property").

**Purpose of Loan**

I affirm that I will use the proceeds of the loan evidenced by this Note for the purpose of financing my purchase of the Property.

**Default**

I will be in default:

1. If I do not make any payment due under this Note on time, including any applicable grace period provided for in the Mortgage Agreement.
2. If I violate any of the terms of the Mortgage Agreement.
3. If I sell, assign or otherwise transfer or further encumber the Property without your written consent.

**Consequences of Default**

If I default:

1. You may demand immediate payment of all unpaid amounts under this Note, whether originally due at that time or not.
2. You will also have other legal rights as more fully described in the Mortgage Agreement including the right to sell the Property more fully described in the

Mortgage Agreement and apply the proceeds of sale to the amounts due under this Note.

**Delay in Enforcement**

You may delay enforcing any of your rights under this Note without losing them.

**Co-borrower(s)**

If I am signing this Note as a co-borrower, I agree to be obligated on the Note as if I were the borrower, and in the event of a default, you may sue me or the borrower or both of us. You may change the terms of payment and release the security without releasing me from responsibility on the Note.

**Excuse of Default**

If I default and you do not enforce your rights, that does not mean that you have excused or will excuse any other default.

**Collection of Costs**

I will pay you, in addition to all other sums due, a sum equal to the actual expenditures you incur for any action to collect or enforce this Note, including your reasonable attorneys' fees if you use an attorney who is not your salaried employee for such action.

**Right of Setoff**

If my loan becomes due for any reason you can apply any of my deposit or other credit balances to pay what I owe you.

**Waivers**

I give up my right to require you to present this Note for payment or to require that you notify me that this Note has not been paid.

**Law That Applies**

This Note shall be governed by and interpreted under the law of the State in which the Property is located.

**Amendment or Cancellation**

This Note shall not be changed or cancelled except in writing.

**Copy Received**

I acknowledge receipt of a completely filled-in copy of the Note.

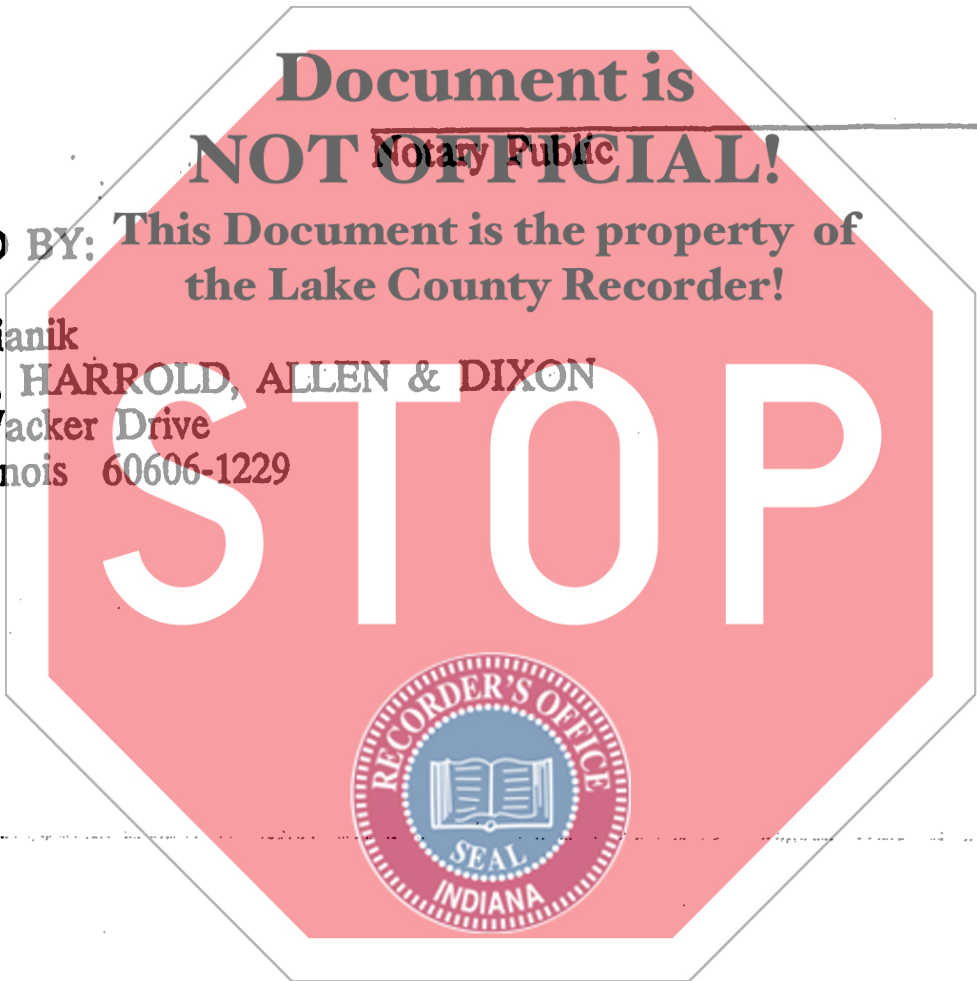
Address:

8311 Lake Shore Drive  
Gary, Indiana 46703

James A. Lohead

STATE OF ILLINOIS )  
                          ) SS.  
COUNTY OF COOK   )

On this 25th day of February, 1991, before me personally came James A. Lohead, known to me to be the individual described in and who executed the foregoing instrument and acknowledged that he executed the same as his free and voluntary act for the purposes set forth therein.



Mark W. Hianik  
WILDMAN, HARROLD, ALLEN & DIXON  
225 West Wacker Drive  
Chicago, Illinois 60606-1229