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PEOPLES BANK, FSB
MORTGAGE DEPARTMENT
9204 COLUMBIA AVENUE
MUNSTER, IN 46321

94003582 MODIFICATION AGREEMENT

This Agreement made this 5th day of January, 1994 between Peoples Bank, A Federal Savings Bank of Munster, Indiana (Hereinafter the Bank) and George W. Hay and Irene Hay, Husband and Wife (Hereinafter the Mortgagor) Witnesseth:

1. The Mortgagor executed a certain promissory note dated March 18, 1987 whereby the Mortgagor promised to pay the Bank the sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00).

2. The aforementioned note of the mortgagors is secured by a mortgage recorded on May 19, 1987 as Document No. 917757 in the Recorder's Office of Lake County Indiana upon the following described real estate:

LOT 7, BLOCK 4, BRIAR RIDGE COUNTRY CLUB ADD. UNIT 7, A PLANNED UNIT DEVELOPMENT IN THE TOWN OF SCHERERVILLE, INDIANA, AS SHOWN IN PLAT BOOK 57, PAGE 26, IN LAKE COUNTY, INDIANA.

Commonly known as: 47 Gleneagles Drive, Unit 7, Schererville, Indiana 46375

3. Mortgagor represents that the lien of the aforesaid mortgage held by Bank is a valid, first, and subsisting lien on said real property.

4. In consideration of the premises and of the mutual agreement herein contained, and upon the express condition that the lien of the aforesaid mortgage held by Bank is a valid first lien and further upon the express understanding that breach of said condition shall void this agreement, the parties hereby agree to the following terms:

a. That the above stated mortgage and note shall remain in full force and effect in all respects except as modified herein. The covenants of said agreement, mortgage and note are expressly incorporated by reference herein.

b. The parties hereto mutually agree that there is an outstanding principal balance of Ninety Three Thousand Eight Hundred Forty Five and 13/100 Dollars (\$93,845.13) on said note and mortgage which shall bear interest at a rate of 6.125% per annum from February 1, 1994 until January 31, 1997. The interest may change on February 1, 1997 and on that day every twelve months thereafter.

The principal and interest evidenced by said note and mortgage shall be paid by Mortgagors in consecutive installments of Six Hundred Thirty and 58/100 Dollars (\$630.58) subject to interest rate changes, beginning on the 1st day of March, 1994 and shall continue each month thereafter until the entire indebtedness due is paid in full except that any remaining indebtedness due, if not sooner paid, shall be due and payable on June 30, 2017.

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".



Chicago Title Insurance Company

STAMP
JAN 27 1994
S. H. H. '94

Handwritten initials/signature

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 2.625% 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 June 30, 2017 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 a person who will answer any questions you may have regarding the notice.

g. The maximum yearly interest rate that will be charged is 11.25%

h. The minimum yearly interest rate that will be charged is 5.50%.

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

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



Peoples Bank, A Federal Savings Bank

By: Daniel W. Moser
Daniel W. Moser, Vice President

George W. Hay
George W. Hay

Irene Hay
Irene Hay

COUNTY OF LAKE)
STATE OF INDIANA)



Before me the undersigned, a Notary Public in the aforesaid County and State, on this 5th day of January, 1994 personally appeared George W. Hay and Irene Hay and Daniel W. Moser and acknowledged the execution of the modification agreement dated this 5th day of January, 1994.

Sharon V. Vacendak
Notary Public

Notary Public Printed Name: Sharon V. Vacendak

My Commission Expires: 1-1-98 Resident of Lake County.

This Instrument Prepared By:
Frank J. Bochnowski
Attorney at Law
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