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AMASA G. COLE
CHIEF DEP. RECORD

Loan No. 28-092420-9

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 JOHN T. YOUNG AND PAMELA YOUNG, also known as Pamela K. Young, husband and wife 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 THOUSAND DOLLARS AND NONE (\$ 80,000.00) Dollars, bearing date of OCT. 26. 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 in Mortgage Record 940 75 054 page _____, 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 NINETY FIVE THOUSAND DOLLARS AND NONE (\$ 95,000.00) Dollars;

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

PRINCIPAL & INTEREST \$713.70
LOAN AMOUNT \$95,000.00
INTEREST RATE 8.25% 10 YR. ADJUSTABLE
FIRST PAYMENT DATE MARCH 1, 1995

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 10th day of January, 19 95

HFS BANK, F.S.B.

BY: Kathleen Kolanowski
KATHLEEN KOLANOWSKI, V.P.

John T. Young (SEAL)
JOHN T. YOUNG

Pamela Young (SEAL)
PAMELA YOUNG

STATE OF INDIANA)
COUNTY OF LAKE) SS:

Before me, the undersigned, a Notary Public, in and for said County and State, this 10th day of January, 19 95, personally appeared the within name HFS BANK, F.S.B. by Kathleen Kolanowski its, Vice-President and John Young and Pamela Young, also known as** 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.

Paula Barrick

My Commission expires: 10-2-97
County of Residence: Lake

Notary Public Paula Barrick

** Pamela K. Young, husband and wife

Prepared by Kathleen Kolanowski, V.P.

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ADJUSTABLE RATE RIDER

(X Year Treasury Index—Rate Caps)

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THIS ADJUSTABLE RATE RIDER is made this 10th day of January, 1995, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to HFS BANK F.S.B. (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1087 CAPITOL DRIVE, HOBART, INDIANA 46342

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. AND THE MINIMUM I MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.25%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of FEBRUARY 2006, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my 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 1 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."

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 me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND THREE FOURTHS percentage points (2.75%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my 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 unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 10.25% or less than 5.0%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 14.25%.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

John T. Young (Seal)
JOHN T. YOUNG Borrower

Pamela Young (Seal)
PAMELA YOUNG Borrower

