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FA13939

PEOPLES BANK BR
COMMERCIAL LOAN DEPARTMENT
9204 COLUMBIA AVENUE
MUNSTER, IN 46321

COMMERCIAL REAL ESTATE MORTGAGE

THIS MORTGAGE made this 20TH day of OCTOBER, 19 95, between MARGARETTE CLEVELAND
JOSEPH A HOFFMAN RECORDER

of LAKE County, State of IN, (hereinafter referred to as "Mortgagor"), and PEOPLES BANK SB
having its principal office at 9204 COLUMBIA AVENUE, MUNSTER, IN 46321
(hereinafter referred to as "Mortgagee")

WITNESSETH:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Mortgagor does hereby mortgage and warrant to Mortgagee the following described real estate situated in LAKE County, State of INDIANA, to-wit:

SEE ADDENDUM "A" ATTACHED

95066466

together with all rights, privileges, interests, mineral rights, water rights, air rights, timber rights, and/or gas rights, easements, improvements, appurtenances, fixtures and hereditaments therein, thereon, or thereto belonging, and the rents and profits and other income of said real estate and premises, which said rents and profits are now and hereby assigned to Mortgagee as of the date of any default in the performance of any obligation of the Mortgagor as stated herein or in any other agreement executed by and between the Mortgagor and Mortgagee.

Document is NOT OFFICIAL!
THIS MORTGAGE IS GIVEN TO SECURE THE FOLLOWING:
This Document is the property of the Lake County Recorder!

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
95 NOV - 1 AM 10:34
MARGARETTE CLEVELAND
RECORDER

A. The payment of a Promissory Note or Notes executed by JOSEPH A HOFFMAN

to Mortgagee, and dated October 20, 1995
in the original principal amount or amounts of Five Hundred Fifty Thousand and 00/100*****
with the original maturity date or dates of October 20, 2010, and with interest thereon as provided in said note or notes and

B. Any renewal, extension or replacement of the indebtedness referred to in paragraph A above; and

C. Any and all future advancements made by Mortgagee to MORTGAGOR and;

D. Any other indebtedness which MORTGAGOR

might from time to time, while this Mortgage is in effect, owe Mortgagee; and

E. The performance by Mortgagor of all mortgagor's covenants, agreements, promises, payments and conditions contained in this Mortgage agreement.

The Mortgagor shall have and hold the mortgaged premises unto the Mortgagee, for the purposes and uses set forth herein under the following terms and conditions:

ARTICLE 1. COVENANTS

Mortgagor hereby covenants and agrees with Mortgagee as follows:

Section 1.01. **Security Agreement.** If any of the property described above does not form a part and parcel of the premises or does not constitute a fixture, as that term is defined in the Uniform Commercial Code, this Mortgage is hereby deemed a Security Agreement under the Uniform Commercial Code for the purpose of hereby creating a security interest in the premises. The Mortgagor hereby grants said security interest to the Mortgagee, as Secured Party, as that term is defined in the Uniform Commercial Code.

Section 1.02. **Waste and Maintenance of Premises.** The Mortgagor shall abstain from and not permit the commission of waste in or about the premises; shall not move or demolish, or alter the structural character of, any building at any time erected on the premises without the prior written consent of the Mortgagee; shall maintain the premises in good condition and repair, reasonable wear and tear excepted. The Mortgagee shall have the right, but not the duty, to enter upon the premises at any reasonable hour to inspect the interiors of any buildings and improvements located thereon.

Section 1.03. **Insurance Obligation.** The Mortgagor will procure, deliver to, and maintain for the benefit of the Mortgagee during the continuance of this Mortgage and until the same is fully satisfied and released, a policy or policies of insurance insuring the buildings and improvements now existing or hereafter erected on the said land against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, and such other hazards, casualties, and contingencies as the Mortgagee may designate. All policies of insurance required hereunder shall be in such form and amounts and by such companies, as the Mortgagee may accept, and shall contain a mortgagee clause acceptable to the Mortgagee, with loss payable to the Mortgagor and the Mortgagee as their interests may appear. The Mortgagor will promptly pay when due any premiums on any policy or policies of insurance required hereunder, and will deliver to the Mortgagee renewals of such policy or policies at least ten (10) days prior to the expiration date(s) hereof, the said policies and renewals to be marked "paid" by the issuing company or agent.

In the event of any loss or damage, the Mortgagor will give prompt notice thereof to the Mortgagee. All proceeds of insurance in the event of such loss or damage shall be payable jointly to the Mortgagor, its successors and assigns, and the Mortgagee. All funds will be utilized by the Mortgagor to the extent necessary to restore the premises to substantially the same condition as the premises existed prior to the loss or damage, unless the Mortgagor shall elect not to do so. In the latter event, the Mortgagee shall then apply the proceeds to the then existing indebtedness and the balance shall be paid to the Mortgagor.

HOLD FOR FIRST AMERICAN TITLE

RE-RECORDING MORTGAGE TO CORRECT LEGAL DESCRIPTION

Handwritten initials and signatures at the bottom right corner.

Section 1.04. **Payment of Taxes and Other Charges.** The Mortgagor shall pay all real estate taxes, water and sewer rents, other similar claims and liens assessed or which may be assessed against the premises or any part thereof, without any deduction or abatement, in a manner acceptable to such taxing authorities and shall produce to the Mortgagee receipts for the payment thereof in full and shall pay every other tax, assessment, claim, lien, or encumbrance which may at any time be or become a lien upon the premises prior to the lien of this Mortgage; provided, however, that if the Mortgagor shall in good faith, and by proper legal action, contest any such taxes, claims, liens, encumbrances or other charges or the validity thereof, and shall have established on its books or by deposit of cash the Mortgagee (as the Mortgagee may elect), a reserve for the payment thereof in such amount as the Mortgagee may require, than the Mortgagor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and as long as such contest operates to prevent collection, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor.

Section 1.05. **Payment of Future Taxes.** If at any time the United State Government or any other federal, state, or municipal government or subdivision thereof shall require internal revenue or other documentary stamps or tax on this Mortgage or the note secured hereby, upon demand the Mortgagor shall pay for same; and on failure to make such payment within fifteen (15) days after demand for same, the Mortgagee may pay for such stamps and add the amount so paid to the principal indebtedness evidenced by the note and secured by this Mortgage, and said additional principal shall bear interest at the rate of the than current note rate.

Section 1.06. **Compliance with Ordinances.** The Mortgagor shall comply with any municipal ordinance or regulation affecting the premises within thirty (30) days after notice thereof; provided, however, that if the Mortgagor shall in good faith, and by proper legal action, contest any such ordinance or regulation, or the validity thereof, then the Mortgagor shall not be required to comply therewith so long as such contest operates to prevent enforcement, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor.

Section 1.07. **Personal Liability.** The Mortgagor agrees to pay all indebtedness secured by this Mortgage in accordance with its terms and with the terms of the note.

ARTICLE 2. DEFAULT AND BREACH

Section 2.01. **Events of Default.** The following shall constitute Events of Default hereunder:

- (a) The failure of the Borrower or Mortgagor to pay any installment of principal or interest when the same is due.
- (b) The failure of the Borrower or Mortgagor to pay any other sum required to be paid in the note or in this Mortgage when the same is due.
- (c) The failure of the Borrower or Mortgagor to perform any covenant or agreement in the note or in this Mortgage.
- (d) Any assignment for the benefit of the Borrower or Mortgagor's creditors, or other proceedings intended to liquidate or rehabilitate the mortgagor's estate, or the Mortgagor's becoming insolvent within the meaning of the Federal Bankruptcy Code.

Section 2.02. **Foreclosure on Default.** Upon the occurrence of any one or more of said Events of Default, the entire unpaid balance on the principal, the accrued interest, and all other sums secured by this Mortgage, shall, at the option of the Mortgagee, become immediately due and payable without notice or demand, and in any such Event of Default the Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes. Any failure to exercise said option shall not constitute a waiver of the right to exercise the option at any other time. In any such proceeding, there shall be allowed and included as additional indebtedness in the judgments, all expenses which may be paid or incurred by or on behalf of the Mortgagee for the attorney's fees, searches, title insurance policies, and any other expenses which the Mortgagee may deem reasonably necessary to prosecute such suit or to maintain the sale pursuant to judgement. The proceeds of a foreclosure sale shall be applied first, to the payment of all costs arising from the foreclosure proceedings; second, to the payment of all items other than principal and interest which are secured indebtedness under this Mortgage; third, to the payment of the unpaid principal and interest under the note; and fourth, any surplus to the Mortgagor, his successors, or assigns.

Section 2.03. **Possession and Receivership.** The Mortgagee shall have the right in any proceeding to foreclose this Mortgage to the appointment of a receiver to collect the rents, issues, income, and profits of the premises and apply them to the payment of the indebtedness, interest, attorney's fees and costs, and any other payments required by the note or this Mortgage, without notice and without regard to the adequacy of the premises to secure the indebtedness. Or, instead of such receivership, the Mortgagee may, at its option, itself take possession of the premises during the period of redemption, and collect the rents and apply them in the manner set forth above.

Section 2.04. **Failure to Pay Taxes or Insurance Premium.** If after receiving ten (10) days' written demand for payment and/or discharge from Mortgagee, the Borrower or Mortgagor fails to pay any tax, claim, lien or encumbrance which shall be or become prior in lien to this Mortgage, or to pay any insurance premium as aforesaid, or to keep the premises in repair, as aforesaid, or commits or permits waste, then the Mortgagee, at its option, may pay said claim, lien, encumbrance, tax assessment, or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems advisable to prevent or cure such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any action or proceeding with respect to any of the foregoing and retain counsel therein, and take such action therein as the Mortgagee deems advisable, and for any said purposes the mortgagee may advance such sums of money as it deems necessary. All sums of money advanced by the Mortgagee pursuant to this section, together with interest on each such advance at the than current note rate, shall be so much additional indebtedness secured hereby and shall immediately become due and payable without notice. The failure of the Mortgagee to act pursuant to this section shall not be deemed a waiver of any rights the Mortgagee may have because of any default on the Borrower or Mortgagor.

Section 2.05. **Assignment of Leases and Rents.** As a further security for payment of the indebtedness and performance of the obligations, covenants, and agreements secured hereby, the Mortgagor hereby assigns to the mortgagee all leases already in existence and to be created in the future, together with all rents to become due under existing or future leases. This assignment, however, shall be operative only in the event of the occurrence of a default hereunder, or under the note or other instrument collateral hereto, remaining uncured at the expiration of the grace period, if any, provided above in respect to such default; and in any such case the Mortgagor hereby confers on the Mortgagee the exclusive power, to be used or not be used in its sole discretion, to act as agent, or to appoint a third person to act as agent for the Mortgagor, with power to take possession of, and collect all rents arising from, the premises and apply such rents, at the option of the mortgagee, to the payment of the mortgage debt, taxes, costs of maintenance, repairs, expenses incident to managing, and other expenses, in such order of priority as the Mortgagee may in its sole discretion determine, and to turn any balance remaining over to the Mortgagor; but such collection of rents shall not operate as an affirmation of the tenant or lease in the event the Mortgagor's title to the premises should be acquired by the Mortgagee. The Mortgagee shall be liable to account only for rents and profits actually received by the Mortgagee. In exercising any of the powers contained in this section, the Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the premises and used by the Mortgagor in the rental or leasing thereof or any part thereof.

NOT FOR RECORD AMERICAN LIFE

ARTICLE 3. SATISFACTION AND RELEASE

Section 3.01. Satisfaction of Mortgage. If the Borrower and Mortgagor complies with the provisions of this Mortgage and pays to the Mortgagee said principal sum, and all other sums payable by the Borrower and Mortgagor to the Mortgagee as are hereby secured, in accordance with the provisions of the note and in the manner and at the times therein set forth, without deduction, fraud, or delay, then and from thenceforth this Mortgage, and the estate hereby granted, shall cease and become void, anything hereinbefore contained to the contrary notwithstanding.

Section 3.02. Transfer of Title by Mortgagor. Any transfer by sale, gift, devise, operation of law, or otherwise of the fee title interest or any interest in all or any portion of the mortgaged premises shall have the same consequences as an event of default respecting the indebtedness secured hereby, and upon such transfer, the Mortgagee, without prior notice or the elapse of any period of grace or the right to cure, shall have the right to declare all sums secured hereby immediately due and payable and, upon failure by the Mortgagor to make such payment within thirty (30) days of written demand therefore, the Mortgagee shall have the right to exercise all remedies provided in the note, this Mortgage, or otherwise at law.

ARTICLE 4. MISCELLANEOUS

Section 4.01. Notice. A notice which is mailed by certified mail to the Borrower or Mortgagor or at such other address as the Borrower or Mortgagor shall designate to the mortgagee in writing, shall be sufficient notice when required under this Mortgage.

Section 4.02. Cumulative Rights and Remedies. The rights and remedies of the mortgagee as provided herein, or in said note, and the warrant therein contained, shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of the Mortgagee, and may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

Section 4.03. Lawful Rates of Interest. All agreements between the Borrower or Mortgagor and the Mortgagee are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Mortgagee for the use, forbearance, or detention of the money due under the Note secured hereby exceed the maximum amount permissible under applicable law. If, due to any circumstances whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances the mortgagee should ever receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the note secured hereby and not to the payment of interest.

Section 4.04. Parties Bound. The Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Mortgage.

Section 4.05. Severability. In case any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 4.06. Time of Essence. Time is of the essence of this Mortgage.

Section 4.07. Construction. The words "Mortgagor" and "Borrower" and "Mortgagee" include singular or plural, individual or corporation, and the respective heirs, personal representatives, executors, administrators, successors, and assigns of the Mortgagor and the Mortgagee, as the case may be. The use of any gender applies to all genders. If more than one part is named as the Mortgagor, the obligation hereunder of each such party is joint and several.

Section 4.08. Captions. The captions herein are inserted only for convenience of reference and in no way define, limit, or describe the scope of intent of this mortgage or any particular paragraph or section hereof, nor the proper construction hereof.

IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage

this 20TH day of OCTOBER, 1995

Signature of Joseph A. Hoffman, Notary Public, Indiana

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, personally appeared

JOSEPH A. HOFFMAN

and acknowledged the execution of the above and foregoing instrument as free and voluntary act and deed for the uses and purposes therein set forth.

Under my hand and official seal this 20TH day of OCTOBER, 19 95

My Commission Expires: July 11, 1997

Signature of Jacqueline Mireles, Notary Public

County of Residence: LAKE

This instrument prepared by: JOEL GORELICK, VICE PRESIDENT, CHIEF LENDING OFFICER

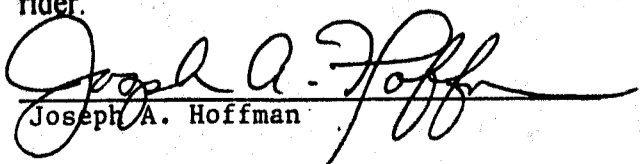
ADDENDUM "A"

PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE TOWN OF MERRILLVILLE, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF THE NORTH 414 FEET OF SAID 1/4 1/4 SECTION; THENCE SOUTH TO A POINT 527.37 FEET SOUTH OF THE NORTHWEST CORNER OF SAID 1/4 1/4 SECTION; THENCE EAST 331.55 FEET, MORE OR LESS, TO THE EAST LINE OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION; THENCE SOUTH 336.28 FEET, MORE OR LESS, TO A POINT WHICH IS 409.69 FEET NORTH OF THE NORTH LINE OF U.S. HIGHWAY #30; THENCE EAST 86.53 FEET TO THE WEST LINE OF THE EAST 910.79 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE NORTH, ALONG THE WEST LINE OF SAID 910.79 FEET, TO A POINT ON THE SOUTH LINE OF THE NORTH 414 FEET OF SAID 1/4 1/4 SECTION; THENCE WEST, ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING.



The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my payment.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this adjustable rate rider.


Joseph A. Hoffman

APPROVED FOR FEDERAL AMERICAN LIFE

Section 1.04. **Payment of Taxes and Other Charges.** The Mortgagor shall pay all real estate taxes, water and sewer rents, other similar claims and liens assessed or which may be assessed against the premises or any part thereof, without any deduction or abatement, in a manner acceptable to such taxing authorities and shall produce to the Mortgagee receipts for the payment thereof in full and shall pay every other tax, assessment, claim, lien, or encumbrance which may at any time be or become a lien upon the premises prior to the lien of this Mortgage; provided, however, that if the Mortgagor shall in good faith, and by proper legal action, contest any such taxes, claims, liens, encumbrances or other charges or the validity thereof, and shall have established on its books or by deposit of cash the Mortgagee (as the Mortgagee may elect), a reserve for the payment thereof in such amount as the Mortgagee may require, then the Mortgagor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and as long as such contest operates to prevent collection, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor.

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- (a) The failure of the Borrower or Mortgagor to pay any installment of principal or interest when the same is due.
- (b) The failure of the Borrower or Mortgagor to pay any other sum required to be paid in the note or in this Mortgage when the same is due.
- (c) The failure of the Borrower or Mortgagor to perform any covenant or agreement in the note or in this Mortgage.
- (d) Any assignment for the benefit of the Borrower's or Mortgagor's creditors, or other proceedings intended to liquidate or rehabilitate the mortgagor's estate, or the Mortgagor's becoming insolvent within the meaning of the Federal Bankruptcy Code.



Section 2.02. **Foreclosure on Default.** Upon the occurrence of any one or more of said Events of Default, the entire unpaid balance on the principal, the accrued interest, and all other sums secured by this Mortgage, shall, at the option of the Mortgagee, become immediately due and payable without notice or demand, and in any such Event of Default the Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes. Any failure to exercise said option shall not constitute a waiver of the right to exercise the option at any other time. In any such proceeding, there shall be allowed and included as additional indebtedness in the judgments, all expenses which may be paid or incurred by or on behalf of the Mortgagee for the attorney's fees, searches, title insurance policies, and any other expenses which the Mortgagee may deem reasonably necessary to prosecute such suit or to maintain the sale pursuant to judgement. The proceeds of a foreclosure sale shall be applied first, to the payment of all costs arising from the foreclosure proceedings; second, to the payment of all items other than principal and interest which are secured indebtedness under this Mortgage; third, to the payment of the unpaid principal and interest under the note; and fourth, any surplus to the Mortgagor, his successors, or assigns.

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Section 4.03. Lawful Rates of Interest. All agreements between the Borrower or Mortgagor and the Mortgagee are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Mortgagee for the use, forbearance, or detention of the money due under the Note secured hereby exceed the maximum amount permissible under applicable law. If, due to any circumstances whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances the mortgagee should ever receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the note secured hereby and not to the payment of interest.

Section 4.04. Parties Bound. The Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Mortgage.

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IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage

this 20TH day of OCTOBER, 1995



Handwritten signature of Joseph A. Hoffman and printed name JOSEPH A. HOFFMAN.

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, personally appeared

JOSEPH A. HOFFMAN

and acknowledged the execution of the above and foregoing instrument as free and voluntary act and deed for the uses and purposes therein set forth.

Under my hand and official seal this 20TH day of OCTOBER, 1995.

My Commission Expires: July 11, 1997

Handwritten signature of Jacqueline Mireles and printed name JACQUELINE MIRELES, Notary Public.

County of Residence: LAKE

This instrument prepared by: JOEL GORELICK, VICE PRESIDENT, CHIEF LENDING OFFICER

ADJUSTABLE RATE RIDER

This adjustable rate rider is made this 20th day of October, 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 Peoples Bank SB

(the Lender) of the same date and covering the property described in the Security Instrument and located at:

7901 Taft Street, Merrillville, IN

ADDENDUM "A"

PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE TOWN OF MERRILLVILLE, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF THE NORTH 414 FEET OF SAID 1/4 1/4 SECTION; THENCE SOUTH TO A POINT 527.37 FEET SOUTH OF THE NORTHWEST CORNER OF SAID 1/4 1/4 SECTION; THENCE EAST 323.55 FEET, MORE OR LESS, TO THE EAST LINE OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION; THENCE SOUTH 336.28 FEET, MORE OR LESS, TO A POINT WHICH IS 409.69 FEET NORTH OF THE NORTH LINE OF U.S. HIGHWAY #30; THENCE EAST 86.53 FEET TO THE WEST LINE OF THE EAST 910.79 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE NORTH, ALONG THE WEST LINE OF SAID 910.79 FEET, TO A POINT ON THE SOUTH LINE OF THE NORTH 414 FEET OF SAID 1/4 1/4 SECTION; THENCE WEST, ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING.



ADJUSTABLE RATE RIDER

This adjustable rate rider is made this 20th day of October, 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 Peoples Bank SB

(the Lender) of the same date and covering the property described in the Security Instrument and located at:

7901 Taft Street, Merrillville, IN

Property Address

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE. IF THE INTEREST RATE INCREASES, THE BORROWER'S PAYMENTS MAY BE HIGHER. IF THE INTEREST RATE DECREASES, THE BORROWER'S PAYMENTS MAY BE LOWER

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 PAYMENT CHANGES

The note provides for an initial interest rate of 9.25%. The Note provides for changes in the interest rate as follows:

- 1) Interest Rate and Payment Changes
 - a) The interest rate I will pay will change on the date of any change in the Index. Each date on which my interest rate could change is call a "Change Date."

B. THE INDEX

Beginning with the first Change Date, my interest will be based on an Index. The Index is Peoples Bank SB posted Prime Rate. The Prime Rate is Peoples Bank SB's base rate of interest for short term (less than one year) loans to substantial and responsible Borrower's and is the rate set by the Lender, from time to time, and is used to establish the actual rate charged those Borrowers whose loans bear interest at a rate related to or tied to the Prime Rate.

C. CALCULATION OF CHANGES

On each Change Date, the Lender will calculate my new interest rate by adding One Quarter percentage points (.25%) to the Index. The Lender will then calculate the payment amount that would be sufficient to repay the principal balance in full on the maturity date at the new interest rate. The result of this calculation will be the new payment amount.

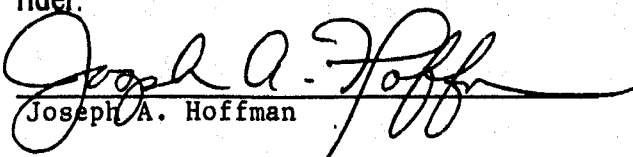
D. EFFECTIVE DATE OF CHANGES

My new interest rate will become effective on each Change Date. I will pay the amount of my new payment beginning on the payment date after the Change date until the amount of my payment changes again. The next change date will be October 20, 2000 and annually thereafter.

E. 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 payment.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this adjustable rate rider.


Joseph A. Hoffman