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MODIFICATION AGREEMENT

This Agreement made this 28th day of February, 1998 between Peoples Bank SB (Hereinafter the Bank) and Eric M. Mosak and Malissa A. Mosak, Husband and Wife (Hereinafter the Borrower) Witnesseth:

1. The Borrower executed a certain promissory note dated July 25, 1996 whereby the Borrower promised to pay the Bank the sum of Eighty Thousand and 00/100 Dollars (\$80,000.00).

2. The aforesaid note of the borrower is secured by a mortgage recorded on July 30, 1996 as Document No. 96050539 in the Recorder's Office of Lake County Indiana upon the following described real estate:

**LOT 81 IN HIDDEN CREEK ESTATES, AN ADDITION TO LAKE COUNTY, INDIANA, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 76 PAGE 7, AND AMENDED BY A PLAT OF CORRECTION RECORDED IN PLAT BOOK 76 PAGE 89, AND FURTHER AMENDED BY A PLAT OF CORRECTION RECORDED IN PLAT BOOK 77 PAGE 11, AND FURTHER AMENDED BY A PLAT OF CORRECTION RECORDED IN PLAT BOOK 77 PAGE 35, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.**

Commonly known as: 10323 New Hampshire, Crown Point, Indiana 46307

3. Borrower 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 Seventy Thousand Six Hundred Twenty Two and 44/100 Dollars (\$70,622.44) on said note which shall bear interest rate of 7.00% per annum from March 1, 1998 until March 31, 2003. The interest rate may change on April 1, 2003 and on that day every twelve months thereafter. The principal and interest evidenced by said note and mortgage shall be paid by Borrower in consecutive installments of Four Hundred Seventy Seven and 70/100 Dollars (\$477.70), subject to interest rate changes, beginning on April 1, 1998 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 August 1, 2026.

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 Bill 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".

d. Before each Change Date, the Note Holder will calculate the new interest rate by adding 2.75% 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.

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 August 1, 2026 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 maximum yearly interest rate that will be charged is 13.25%.

g. The minimum yearly interest rate that will be charged is 6.00%.

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

Return: Peoples Bank

TICOR TITLE INSURANCE  
Crown Point, Indiana

98052258  
STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
98 APR 1 9:00 AM '98

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IN WITNESS WHEREOF, The Parties have set their hands and seals hereto.

Peoples Bank SB

By: *Daniel W. Moser*  
DANIEL W. MOSER, VICE PRESIDENT  
FOR HOUSING FINANCE

*E. M. Mosak*  
Eric M. Mosak  
*Mallisa A. Mosak*  
Mallisa A. Mosak

COUNTY OF LAKE )  
)  
STATE OF INDIANA )

Before me the undersigned, a Notary Public in the foresaid County and State on this 28TH day of FEBRUARY, 1998 personally appeared: ERIC M. MOSAK & MALLISA A. MOSAK, DANIEL W. MOSER, VICE PRESIDENT and acknowledged the execution of the modification agreement dated this 28TH day of FEBRUARY, 1998.

*Margaret Travis* MARGARET TRAVIS  
NOTARY PUBLIC SIGNATURE NOTARY PUBLIC PRINTED NAME

My Commission Expires: 12/1/2000 Resident of LAKE County

This Instrument Was Prepared By: Frank J. Bochnowski, Attorney at Law  
9204 Columbia Avenue, Munster, Indiana 46321

