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Peoples Bk
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442391

MODIFICATION AGREEMENT

This Agreement made this 27th day of MARCH, 1998 Peoples Bank SB (Hereinafter the Bank) and Peoples Federal Savings and Loan Association n/k/a Peoples Bank SB Trustee under Trust Agreement Dated May 10, 1989 and known as Trust No. 9008 (Hereinafter the mortgagor) Witnesseth:

1. The Mortgagors executed a certain promissory note dated May 11, 1989 whereby the Mortgagor promised to pay the Bank the sum of Four Hundred Seventy Five Thousand and 00/100 Dollars (\$475,000.00).

2. The aforementioned note of the mortgagor is secured by a mortgage recorded May 15, 1989 as Document No. 036525 in the Recorder's Office of Lake County Indiana upon the following described real estate:
LOT 15, EXCEPT THE NORTH 10 FEET THEREOF, AND ALL OF LOTS 16 TO 24, BOTH INCLUSIVE, BLOCK 4, MANUFACTURER'S ADDITION TO HAMMOND, AS SHOWN IN PLAT BOOK 2, PAGE 23, IN LAKE COUNTY, INDIANA.

Commonly known as: 6540-6546 Nebraska Street, Hammond, Indiana 46323

Said note and mortgage was modified on March 31, 1993 and recorded as document number 93023557. Said Modification Agreement is now null and void.

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, 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 Ten Thousand and 00/100 Dollars (\$10,000.00) on said note and mortgage which shall bear interest at a rate of 8.75% per annum from February 1, 1998 to December 31, 1998. The interest may change on January 1, 1999 and on that day every twelve months thereafter. The interest evidenced by said note and mortgage shall be paid by Mortgagors in consecutive installments of principal and interest evidenced by said note and mortgage shall be paid by Mortgagors in consecutive installments of Four Hundred Thirty Seven and 50/100 Dollars (\$437.50) subject to the interest rate changes, beginning on the 1st day January 1999 and shall continue every six 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 February 1, 2008.

c. Upon request of Mortgagor, Bank, at Bank's option so long as the Mortgage described in paragraph 2 above secures the indebtedness held by Bank, may make future advances to Mortgage. Such future advances, with interest thereon, shall be secured by the Mortgage described in paragraph 2 above. At no time shall the principal amount of any future advances exceed \$241,000.00.

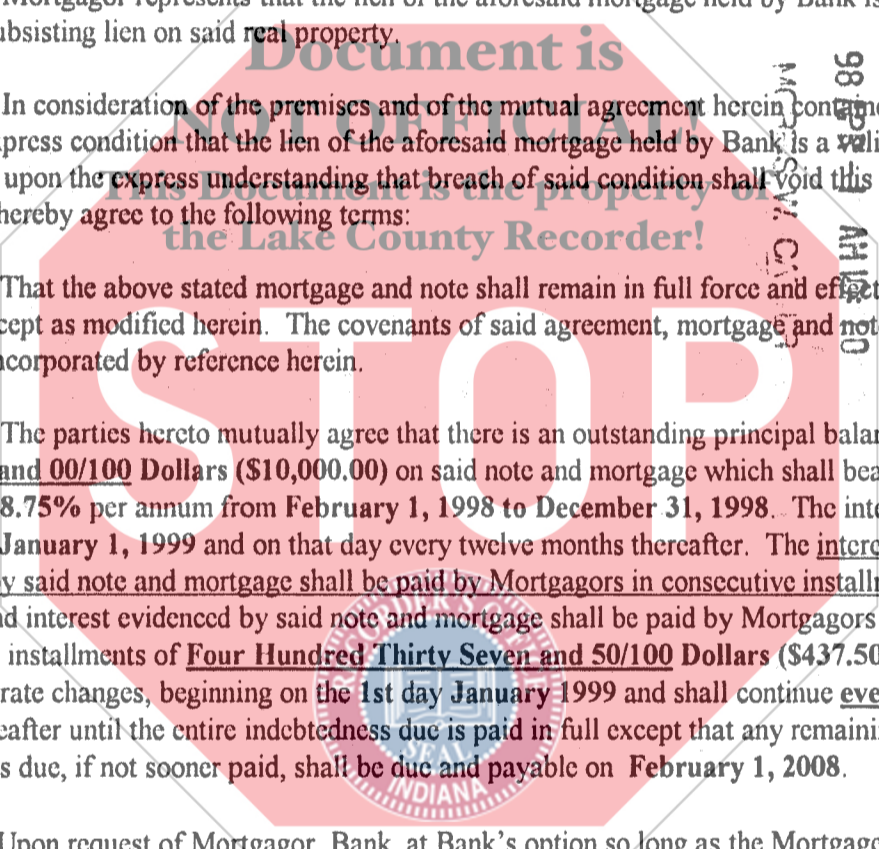
d. If any future advances are made, Mortgagor agrees to make consecutive monthly installments of principal and interest on the 1st day of each month in such amount sufficient to repay the principal amount owed in full on February 1, 2008 in substantially equal payments.

e. 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".

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.

f. Before each Change Date, the Note Holder will calculate the new interest rate by adding 3.00% to the Current Index. The Note Holder will then round the result of the addition to the

Peoples Bank Insurance Company



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STATE OF INDIANA
LAKE COUNTY
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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 February 1, 2008 at your new interest rate in substantially equal payments. The result of this calculation will be the new amount of the monthly payment.

g. 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.

h. 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.

i. The maximum yearly interest rate that will be charged is 13.50%.

j. The minimum yearly interest rate that will be charged is 7.50%.

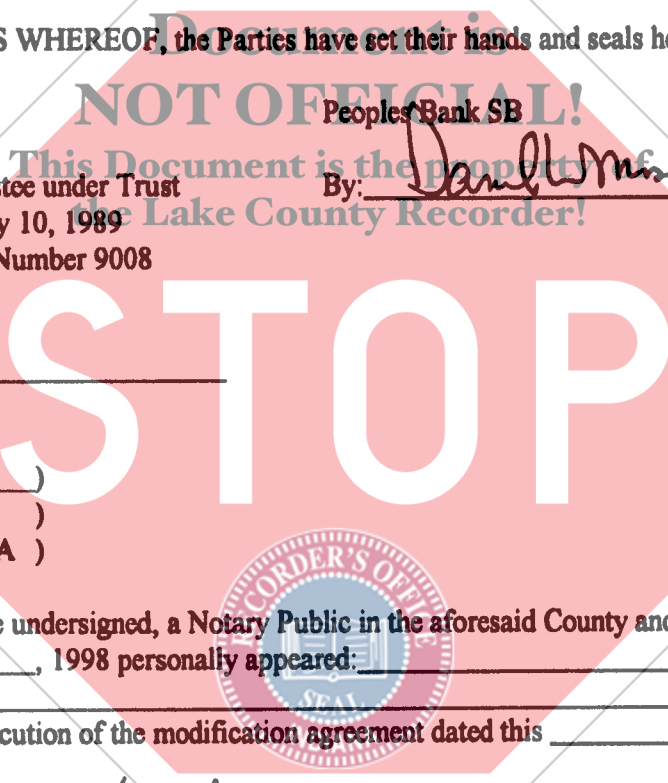
k. Interest rate adjustments will not exceed 2.00% per change period.

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

Peoples Bank SB Trustee under Trust Agreement Dated May 10, 1989 and Known as Trust Number 9008

Peoples Bank SB

By: *David W. ...*



By: See Attached

COUNTY OF _____)
STATE OF INDIANA)

Before me the undersigned, a Notary Public in the aforesaid County and State on this _____ day of _____, 1998 personally appeared: _____ and _____ acknowledged the execution of the modification agreement dated this _____ day of _____, 1998.

Margaret Travis
NOTARY PUBLIC SIGNATURE

NOTARY PUBLIC PRINTED NAME

My Commission Expires: _____

Resident of _____ County

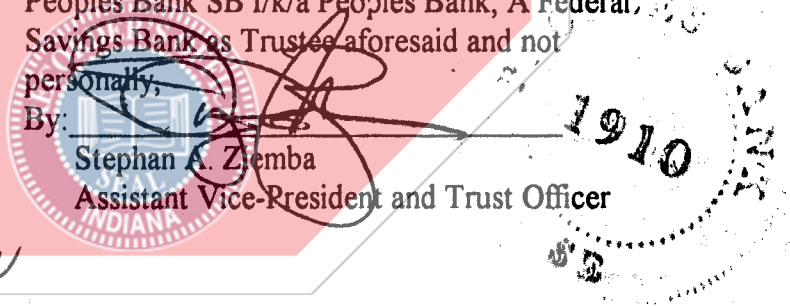
This Instrument Was Prepared By: Frank J. Bochnowski, Attorney at Law
9204 Columbia Avenue, Munster, Indiana 46321

Attachment to Modification Agreement
to Peoples Bank SB for
Land Trust # 9008.

THIS INSTRUMENT is executed by the undersigned Trustee, not personally but solely as Trustee under the terms of that certain agreement dated the 10th day of May, A.D. 19 89, creating Trust No. 9008; and it is expressly understood and agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the covenants, undertakings, representations and agreements herein made are made and intended not as personal covenants, undertakings, representations and agreements of the trustee, individually or for the purpose of binding it personally, but this instrument is executed and delivered by Peoples Bank SB f/k/a Peoples Bank, A Federal Savings Bank as trustee, solely in the exercise of the powers conferred upon it as such Trustee under said agreement and no personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforced against Peoples Bank SB f/k/a Peoples Bank, A Federal Savings Bank, on account hereof, or on account of any covenant, undertaking, representation or agreement herein contained, either expressed or implied, all such personal liability, if any, being hereby expressly waived and released by the parties hereto or holder hereof, and by all persons claiming by or through or under said parties or holder hereof. Nothing contained herein will be construed as creating any liability on said Trustee, personally under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act, (CERCLA) or the Indiana Responsible Property Transfer Law ("RPTL") as amended from time to time or any other federal, state or local law, rule or regulation. Said Trustee, personally, is not a "Transferor" or "Transferee" under RPTL and makes no representations concerning any possible environmental defects. In making any warranty herein the Trustee is relying solely on information furnished to it by the beneficiaries and not of its own knowledge and specifically exculpates itself from any liabilities, responsibilities or damages as a result of including any warranty in this instrument. IN WITNESS WHEREOF, Peoples Bank SB f/k/a Peoples Bank, A Federal Savings Bank has caused its name to be signed to these presents by its **Assistant Vice-President and Trust Officer** and attested by its **Assistant Secretary** the day and year first above written.

Peoples Bank SB f/k/a Peoples Bank, A Federal Savings Bank as Trustee aforesaid and not personally,

By: Stephan A. Ziemba
Assistant Vice-President and Trust Officer



ATTEST:
By: Patricia J. Mrvan
Patricia J. Mrvan
Assistant Secretary

State of Indiana)
) SS:
County of Lake)

I, Joyce M. Barr, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY, that **Stephan A. Ziemba** and **Patricia J. Mrvan** of PEOPLES BANK SB an Indiana Corporation, f/k/a Peoples Bank, A Federal Savings Bank personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice-President and Trust Officer and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of the said Indiana Corporation, as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 27th day of March, 1998
My Commission Expires:
March 18, 2008
Joyce M. Barr
Joyce M. Barr

