

MODIFICATION AGREEMENT

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This Agreement made this 20th day of August, 1998 between Peoples Bank SB (Hereinafter the Bank) and James P. Lehr and Kimberly Ann Lehr, Husband and Wife (Hereinafter the Borrower) Witnesseth:

1. The Borrower executed a certain promissory note dated August 17, 1995 whereby the Borrower promised to pay the Bank the sum of Ninety Two Thousand Four Hundred and 00/100 Dollars (\$92,400.00)

2. The aforesaid note of the borrower is secured by a mortgage recorded on August 22, 1995 as Document No. 95047843 in the Recorder's Office of Lake County Indiana upon the following described real estate:
THE NORTH 40 FEET, BY PARALLEL LINES IN LOT 3 IN BLOCK 3 IN WESTWOOD AS SHOWN IN PLAT BOOK 75, PAGE 90, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

Commonly known as: 8802 Monroe Street, Merrillville, Indiana 46410

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 Eighty One Thousand Sixty Six and 88/100 Dollars (\$81,066.88) said note which shall bear interest rate of 6.75% per annum from August 1, 1998 until July 31, 2003. The interest rate may change on August 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 Five Hundred Forty Three and 86/100 Dollars (\$543.86) subject to interest rate changes, beginning on September 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 September 1, 2025.

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 September 1, 2025 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%.

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
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LAWYERS TITLE INS. CORP.
ONE PROFESSIONAL CENTER
SUITE 215
CROWN POINT, IN 46307

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