

2

MODIFICATION AGREEMENT

This Agreement made this 1ST day of AUGUST, 1999 between Peoples Bank SB (Hereinafter the Bank) and Charles R. O'Donnell and Dorothea D. O'Donnell, husband and wife (Hereinafter the mortgagor) Witnesseth:

1. The Mortgagor executed a certain promissory note dated January 25, 1992 whereby the Mortgagor promised to pay the Bank the sum of Seventy Five Thousand and 00/100 Dollars (\$75,000.00)
2. The aforementioned note of the mortgagor is secured by a mortgage recorded January 31, 1992 as Document Number 92006325 in the Recorder's Office of Lake County Indiana upon the following described real estate:
 LOT 40 IN FAIRMEADOW FIRST ADDITION TO THE TOWN OF MUNSTER, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 36 PAGE 18, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA
 Commonly known as: 1641 Bluebird Drive, Munster, IN 46321
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 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 Forty Nine Thousand Four Hundred Fifteen and 07/100 (\$49,415.07) on said note and mortgage which shall bear interest at a rate of 6.75% per annum from July 1, 1999 until June 30, 2004. The interest may change on July 1, 2004 and on that day every twelve months thereafter. The principal and interest evidenced by said note and mortgage shall be paid by Mortgagors in consecutive installments of Six Hundred Ninety Five and 31/100 Dollars subject to the interest rate changes, beginning on the 1st day of August, 1999 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 February 1, 2007.
 - 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 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".
 - 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.

 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, 2007 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 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.
 - g. The maximum yearly interest rate that will be charged is 13.25%.
 - h. The minimum yearly interest rate that will be charged is 6.25%.
 - i. Interest rate adjustments will not exceed 2.00% per change period.

92075304

NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORDING
SEP 08

F29151

HOLD FOR FIRST AMERICAN TITLE

13.00
E.P. FA

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

Charles R. O'Donnell

Charles R. O'Donnell

Dorothea D. O'Donnell

Dorothea D. O'Donnell

COUNTY OF LAKE)

STATE OF INDIANA)

Before me the undersigned, a Notary Public in the aforesaid County and State on this 1 day of AUGUST, 1999 personally appeared CHARLES R. O'DONNELL & DOROTHEA D. O'DONNELL & DANIEL W. MOSER, VICE PRESIDENT and acknowledged the execution of the modification agreement dated this 1 day of AUGUST, 1999.

Margaret Travis

NOTARY PUBLIC SIGNATURE

MARGARET TRAVIS

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
141 W. Lincoln Highway, Schererville, Indiana 46375

