

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2000 000073

**MODIFICATION AGREEMENT**

This Agreement made this 3RD day of DECEMBER, 1999 between Peoples Bank SB (Hereinafter the Bank) and William J. Pierce and Phyllis Pierce, husband and wife (Hereinafter the Borrower) Witnesseth:

1. The Borrower executed a certain promissory note dated September 25, 1996 whereby the Borrower promised to pay the Bank the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00)

2. The aforesaid note of the borrower is secured by a mortgage recorded on September 30, 1996 as Document No. 96064598 in the Recorder's Office of Lake County Indiana upon the following described real estate:  
**LOT 21 IN RAMSGATE, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 70 PAGE 12, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.**  
Commonly known as: 13830 Waite Ct., Crown Point, IN 46307

Modification Agreement Dated January 30, 1998 and recorded February 12, 1998 as Document Number 98010311 is now null and void.

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 Four Hundred Twenty Eight Thousand Five Hundred Forty Six and 02/100 Dollars (\$428,546.02) on said note which shall bear interest rate of 6.875% per annum from November 1, 1999 until October 31, 2002. The interest rate may change on November 1, 2002 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 Three Thousand Eight Hundred Twenty Two and 01/100 Dollars subject to interest rate changes, beginning on December 1, 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 November 1, 2014

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 2.625% 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 November 1, 2014 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 5.75%.

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

*Peoples Bank  
Munster*

65140E  
TICOR TITLE INSURANCE  
Crown Point, Indiana

*12/1/99  
/11*

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

William J. Pierce  
William J. Pierce  
Phyllis Pierce  
Phyllis Pierce

Peoples Bank SB  
By: Daniel W. Moser  
DANIEL W. MOSER, SR. VICE PRESIDENT  
FOR HOUSING FINANCE

COUNTY OF LAKE )  
)  
STATE OF INDIANA )

Before me the undersigned, a Notary Public in the foresaid County and State on this 3RD day of DECEMBER, 1999 personally appeared: WILLIAM J. PIERCE & PHYLLIS PIERCE & DANIEL W. MOSER, VICE PRESIDENT and acknowledged the execution of the modification agreement dated this 3RD day of DECEMBER, 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, IN 46375

