

MODIFICATION AGREEMENT

LM 467162 400

This Agreement made this 31 day of December, 1999 between **Peoples Bank SB** (Hereinafter the Bank) and **Julius Bonini and Laura Bonini, husband and wife** (Hereinafter the mortgagor) Witnesseth:

1. The Mortgagor executed a certain promissory note dated July 19, 1993 whereby the Mortgagor promised to pay the Bank the sum of One Hundred Eight Thousand and 00/100 Dollars (\$108,000.00).

2. The aforementioned note of the mortgagor is secured by a mortgage recorded on July 22, 1993 as Document Number 93047443 in the Recorder's Office of Lake County Indiana upon the following described real estate:

LOT 3, BLOCK 7, BROADMOOR, IN THE TOWN OF MUNSTER, AS SHOWN IN PLAT BOOK 58, PAGE 3, IN LAKE COUNTY, INDIANA.  
Commonly known as: 7834 Forest Avenue, Munster, Indiana 46321

Said mortgage was modified on August 9th, 1996 and recorded August 15, 1996 as Document Number 96054684. 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 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 Ninety Nine Thousand Four Hundred Fifteen and 72/100 Dollars (\$99,415.72) on said note and mortgage which shall bear interest at a rate of 6.75% per annum from December 1, 1999 until November 30, 2004. The interest may change on December 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 Seven Hundred One and 93/100 Dollars (\$701.93) subject to the interest rate changes, beginning on the 1st day of January, 2000 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, 2023.

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.

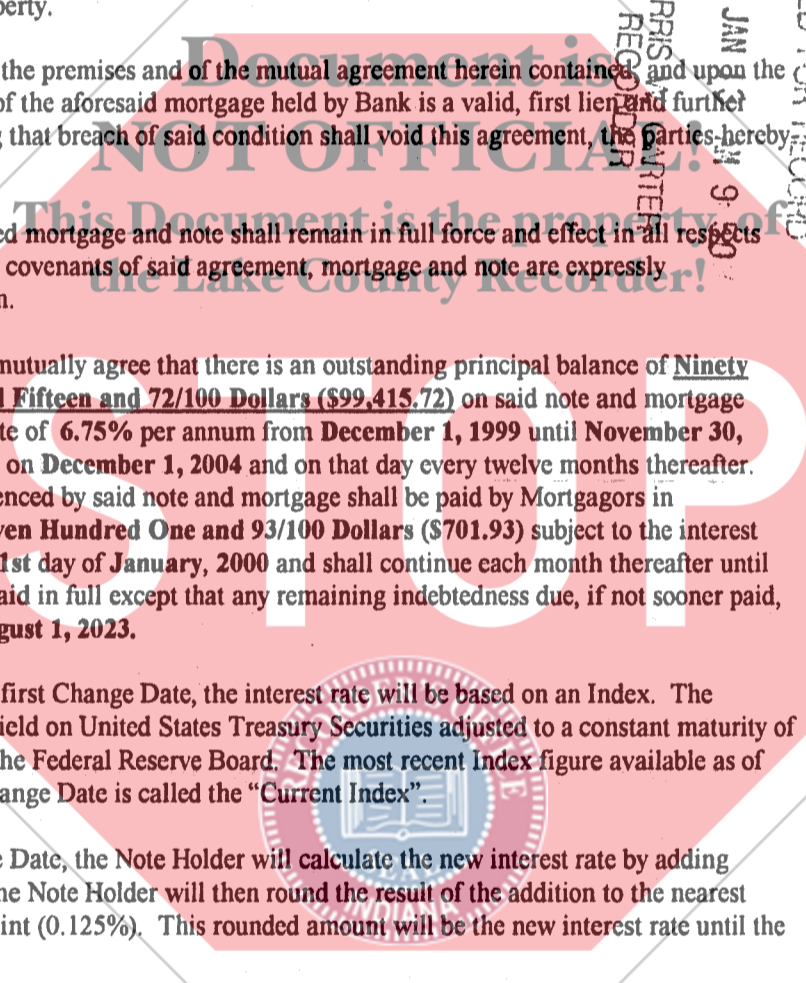
The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the principal which you are expected to owe at the Change Date in full on August 1, 2023 at your new interest rate in substantially equal payments. The result of this calculation will be the new amount 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.

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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
2000 JAN 9 9 00  
MUNSTER  
RECORDER



Chicago Tide Insurance Company

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25 x 10

- g. The maximum yearly interest rate that will be charged is 13.25%.
- h. The minimum yearly interest rate that will be charged is 6.00%.
- i. 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

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

*Julius Bonini*  
 Julius Bonini

*Laura Bonini*  
 Laura Bonini

COUNTY OF LAKE  
 STATE OF INDIANA

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Before me the undersigned, a Notary Public in the aforesaid County and State on this 31 day of DECEMBER, 1999 personally appeared: JULIUS BONINI & LAURA BONINI & DANIEL W. MOSER, VICE PRESIDENT and acknowledged the execution of the modification agreement dated this 31 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, Indiana 46375

