

#6-4788
R-61074

Lake County Economic Development Department
2293 North Main Street
Crown Point, Indiana 46307

Att: Conrad Pavuk

SECURITY AGREEMENT
(General)

098034

MAY 1 10 11 AM '90
RECORDED

CHICAGO TITLE INSURANCE COMPANY
STATE OF INDIANA INDIANA DIVISION
LAKE COUNTY
FILED FOR RECORD

John F. Bowman II & Cynthia Lee Bowman
D/B/A Bowman Photographic LTD.
("Borrower") grants to the
Lake County Economic Development Department, Crown Point, Indiana hereafter
known in this instrument as ("LCEDD") a security interest in the following
described property:
REAL PROPERTY, BUILDINGS, ALL FURNITURE, FIXTURES, MACHINERY, EQUIPMENT,
INVENTORY, ACCOUNTS RECEIVABLE, CONTRACT RIGHTS, INSTRUMENTS, CHATTEL PAPER,
AND GENERAL INTANGIBLES, NOW EXISTANT OR HERE AFTER ACQUIRED AND THE
PROCEEDS THERE FROM.

together with all tools, accessories, parts, equipment and accessions now
attached to, or which may hereafter at any time be placed in or added to the
above described property; also any replacements of such property herein des-
cribed ("Collateral") to secure the payment of that certain indebtedness
evidenced by a promissory note or notes executed by the borrower to the
LCEDD in the principal sum of Four Hundred Thirty Thousand Dollars
(\$430,000.00) of even date herewith or any extensions or renewals
thereof and all other liabilities of the Borrower in favor of the LCEDD, direct
or indirect, absolute or contingent, now existing or hereafter arising,
all of which the Borrower agrees to pay without relief from valuation or
appraisal laws and with attorneys' fees; also to secure the payment of
any and all future advances that may be made by the LCEDD to the Borrower
during the term of their Agreement, equally with and to the same extent as the
monies originally advanced under this agreement.

Borrower hereby warrants and agrees that:

1. The Collateral is being acquired for the following primary use:
 personal, or family use, business use, or farming operations.
2. The Collateral will will not be acquired with the proceeds of the
loan provided for in this Agreement. (In the event the Collateral will be ac-
quired with the proceeds of the loan, the LCEDD may disburse such proceeds to the
seller of the Collateral.)
3. The Collateral will be kept at the address of the Borrower set out below,
which in the case of a business is the address of the principal office of such
business within this state. Borrower will not remove the Collateral from the state
without the prior written consent of the LCEDD. If the Collateral is being ac-
quired for farming use and the Borrower is not a resident of Indiana, the Collateral
will be kept at the address set forth in the description of the Collateral.
Borrower will immediately give written notice to the LCEDD of any change of
address and in the case of a business, any change in its principal place of
business and if the Collateral consists of equipment normally used in more
than one state, any use of the Collateral in any jurisdiction other than a
state in which the Borrower shall have previously advised the LCEDD such
Collateral will be used.
4. Borrower has, or will acquire, full and clear title to the Collateral
and except for the security interest granted herein, will at all times keep the
Collateral free from any adverse lien, security interest or encumbrance.
5. In the event the Collateral will be attached to real estate, the des-
cription of such real estate and the known owner of record of such real estate
are set forth in the description of the Collateral. If the Collateral is attached
to such real estate prior to the perfection of the security interest granted
herein, the Borrower will, on demand, furnish the LCEDD with a disclaimer or
disclaimers executed by persons having an interest in such real estate.

Lot 7, Midwest Central Business Park Unit,
recorded in Book 060, page 3 on September 5, 1985
in Lake County, Indiana

7.00
OK

6. No financing statement covering all or any portion of the Collateral is on file in any public office.

7. Borrower authorizes the LCEDD at the expense of the Borrower to execute and file on its behalf a financing statement or statements in those public offices deemed necessary by the LCEDD to protect its security interest in the Collateral. Borrower will deliver or cause to be delivered to the LCEDD any certificate or certificates of title to the Collateral with the security interest of the LCEDD noted thereon.

8. Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of the LCEDD.

9. Borrower will at all times keep the Collateral insured against loss, damage theft and other risks in such amounts, under such policies and with such companies as shall be satisfactory to the LCEDD, which policies shall provide that any loss thereunder shall be payable to the LCEDD as its interest may appear and the LCEDD may apply the proceeds of such insurance against the outstanding indebtedness of the Borrower, regardless of whether all or any portion of such indebtedness is due and owing. All policies of insurance so required shall be placed in the possession of the LCEDD.

Upon failure of the Borrower to procure such insurance or to remove any encumbrances upon the Collateral or if such insurance is cancelled, the indebtedness secured hereby shall become immediately due and payable at the option of the LCEDD, without notice or demand, or the LCEDD may procure such insurance or remove any encumbrance on the Collateral and the amount so paid by the LCEDD shall be immediately repayable and be added to and become a part of the indebtedness secured hereby.

10. Borrower will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any portion thereof. Borrower will not use the Collateral in violation of any statute or ordinance or any policy of insurance thereon and the LCEDD may examine and inspect such Collateral at any reasonable time or times wherever located.

11. Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation.

12. The occurrence of any one of the following events shall constitute default under this Security Agreement: (a) nonpayment when due of any installment contained herein; (b) any statement, representation, or warranty at any time furnished the LCEDD is untrue in any material respect as of the date made; (c) Borrower becomes insolvent or unable to pay debts as they mature; (d) entry of judgment against the Borrower; (e) loss, theft, substantial damage, destruction, sale or encumbrance to or of all or any portion of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (f) death of the Borrower who is a natural person or of any partner of the Borrower which is a partnership; (g) dissolution, merger or consolidation or transfer of a substantial portion of the property of the Borrower which is a corporation or a partnership; or (h) the LCEDD deems itself insecure for any other reason whatsoever. When an event of default shall be existing, the note or notes and any other liabilities may at the option of the LCEDD and without notice or demand be declared and thereupon immediately shall become due and payable and the LCEDD may exercise from time to time any rights and remedies of a secured party under the Uniform Commercial Code or other applicable law. Borrower agrees in the event of default to make the Collateral available to the LCEDD at a place acceptable to the LCEDD which is convenient to the Borrower. If any notification or disposition of all or any portion of the Collateral is required by law, such notification shall be deemed reasonable and properly given if mailed at least ten (10) days prior to such disposition, postage prepaid to the Borrower at its latest address appearing on the records of the LCEDD. Expenses of retaking, holding, repairing, preparing for sale and selling, shall include the LCEDD's reasonable attorneys' fees and expenses. Any proceeds of the disposition of the Collateral will be applied by the LCEDD to the payment of expenses of retaking, holding, repairing, preparing for sale and selling the Collateral, including reasonable attorneys' fees and legal expenses and any balance of such proceeds will be applied by the LCEDD to the payment of the indebtedness then owing the LCEDD.

No delay on the part of the LCEDD in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the LCEDD of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. If more than one party shall execute this Agreement, the term "Borrower" shall mean all parties signing this Agreement and each of them, and such parties shall be jointly and severally obligated hereunder. The neuter pronoun, when used herein shall include the masculine and the feminine and also the plural. If this Agreement is not dated when executed by the Borrower, the LCEDD is authorized, without notice to the Borrower, to date this Agreement.

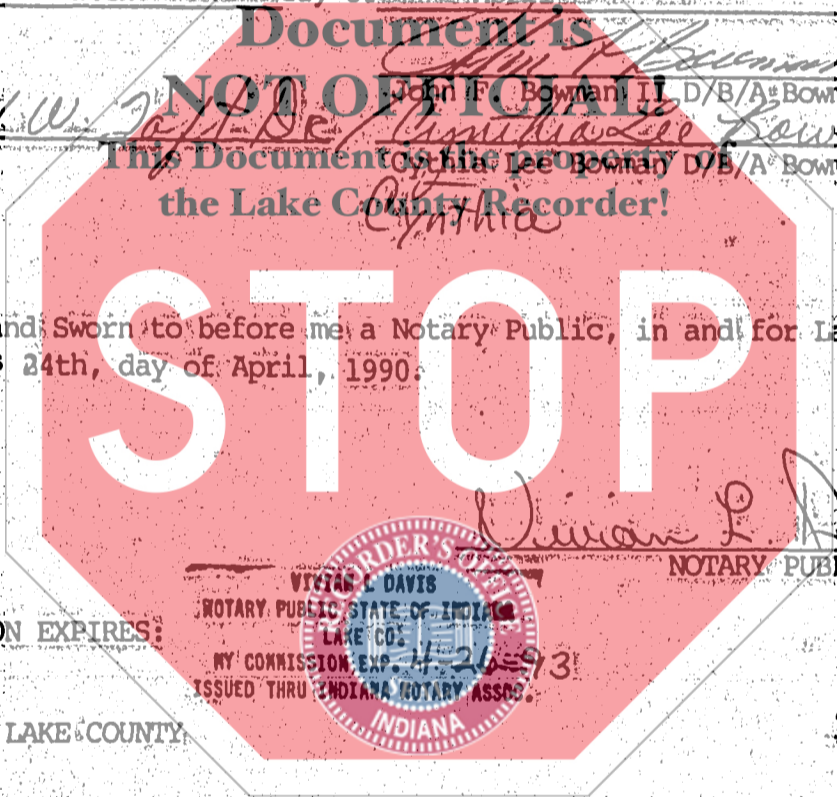
This Agreement has been delivered at Crown Point, Indiana and shall be construed in accordance with the laws of the State of Indiana. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Agreement.

This Agreement shall be binding upon the heirs, administrators and executors of the Borrower and the rights and privileges of the LCEDD hereunder shall inure to the benefit of its successors and assigns.

IN WITNESS WHEREOF; this Agreement has been duly executed on this 24th day of April, 1990

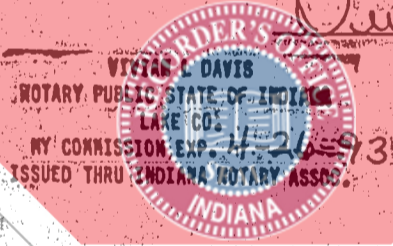
Document is *John F. Bowman II*
Address *511 W. 2nd St. Indianapolis, Indiana*
John F. Bowman II D/B/A Bowman Photographic LTD.
Cynthia
This Document is the property of *John F. Bowman D/B/A Bowman Photographic LTD.*
the Lake County Recorder!

Subscribed and Sworn to before me a Notary Public, in and for Lake County, Indiana this 24th day of April, 1990.



MY COMMISSION EXPIRES:

RESIDENT OF LAKE COUNTY



NOTARY PUBLIC

