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Indiana Fedl S&L
808 Vale Park Rd, Valpo
#4648

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SECURITY AGREEMENT

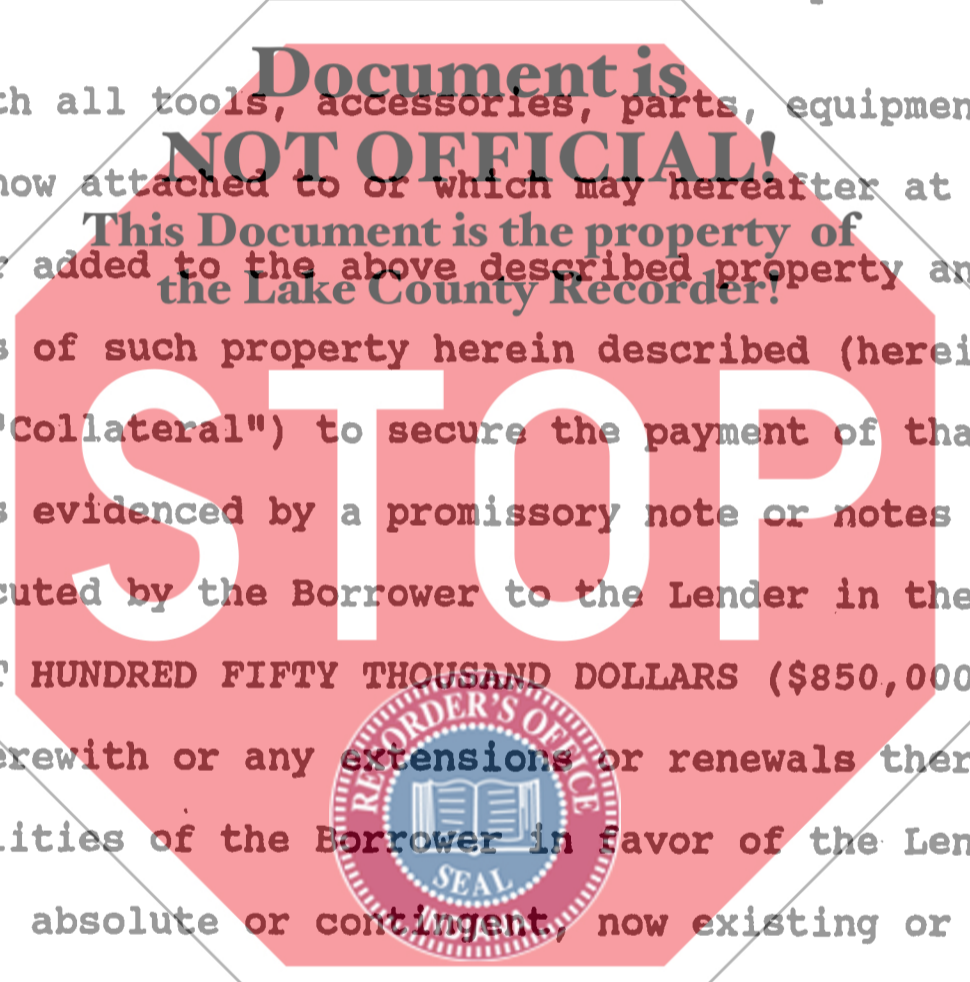
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CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

Lake County Trust Company, as Trustee pursuant to a Trust Agreement dated November 27, 1989 and known as Trust No. 4016, hereinafter called the "Borrower" grants to INDIANA FEDERAL SAVINGS and LOAN ASSOCIATION, hereinafter called the "Lender" a security interest in the following described:

SEE EXHIBIT "A" attached hereto and incorporated herein

together with all tools, accessories, parts, equipment and assessments now attached to or which may hereafter at any time be placed in or added to the above described property and any replacements of such property herein described (hereinafter called the "collateral") to secure the payment of that certain indebtedness evidenced by a promissory note or notes ("Promissory Note"), executed by the Borrower to the Lender in the principal sum of EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$850,000.00), of even date herewith or any extensions or renewals thereof and all other liabilities of the Borrower in favor of the Lender, 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 reasonable attorney fees and costs of collection; also to secure the payment of any and all future advances that may be made by the Lender 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:

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1. The Collateral is being used for business purposes.
2. The Collateral will be kept on the premises of the Borrower in Lake County, Indiana. Borrower will not remove the Collateral from the State without the prior written consent of the Lender. Borrower will immediately give written notice to the Lender of any change in address of the location of the Collateral and in the case of a business, any change in its principal place of business.
3. 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.
4. In the event the Collateral will be attached to real estate, the description 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 Lender with a disclaimer or disclaimers executed by persons having an interest in such real estate.
5. No financing statement covering all or any portion of the Collateral is on file in any public office.
6. Borrower authorizes the Lender 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 Lender to protect its security interest in the Collateral. Borrower will deliver or cause to be delivered to the Lender any

certificate or certificates of title to the Collateral with the security interest of the Lender noted thereon.

7. Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of the Lender. This shall not apply to "Obsolete Collateral" as provided in Paragraph 15, Subparagraph (a) of the Mortgage of even date in favor of Lender.

8. 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 Lender which policies shall provide that any loss thereunder shall be payable to the Lender as its interest may appear and the Lender 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 Lender.

Upon failure of the Borrower to procure such insurance or to remove any encumbrance upon the Collateral or if such insurance is cancelled, and after the expiration of any applicable grace or extension period provided for in the insurance policy, the indebtedness secured hereby shall become immediately due and payable at the option of the Lender without notice or demand, or the Lender may procure such insurance or remove any encumbrance on the Collateral and the amount so paid by the Lender shall be immediately repayable and shall be added to and become a part of the indebtedness secured hereby and shall bear interest at the

rate of two percent (2%) per annum over the interest rate agreed in the Promissory Note, from date of default.

9. 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 Lender may examine and inspect such Collateral at any reasonable time or times wherever located.

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

11. The occurrence of any one of the following events shall constitute default under this Security Agreement: (a) nonpayment when due, which remains unpaid for five (5) days, of any installment of the indebtedness hereby secured or failure to perform any agreement contained herein; (b) any statement, representation, or warranty, at any time furnished to the Lender, is untrue in any material respect as of the date made; (c) Borrower becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors or any proceeding is instituted by or against the Borrower alleging that such Borrower is 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 a material portion of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; or (f) dissolution, merger or consolidation or transfer of a substantial portion of the property of the Borrower. When an event of

default exists, the Promissory Note and any other liabilities of Borrower to Lender may at the option of the Lender and without notice or demand be declared and thereupon immediately shall become due and payable and the Lender 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 Lender at a place designated by the Lender. 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 Lender. Expenses of retaking, holding, repairing, preparing for sale and selling, shall include the Lender's reasonable attorney fees and expenses. Proceeds of the disposition of the Collateral will be applied by the Lender to the payment of expenses of retaking, holding, repairing, preparing for sale and selling the Collateral, including reasonable attorney fees and legal expense and any balance of such proceeds will be applied by the Lender to the payment of the indebtedness then owing the Lender. Notwithstanding anything to the contrary herein, no default shall be deemed to exist, (except with respect to the failure to pay principal and interest when due under the terms of the Promissory Note), unless such default has not been cured within thirty (30) days after written notice thereof by Lender to Borrower (except that, if any such default cannot be cured with said 30 days, Borrower shall have an

additional reasonable time to cure such default so long as Borrower is diligently attempting to cure such default).

12. No delay on the part of the Lender in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Lender 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 feminine and also the plural. If this Agreement is not dated when executed by the Borrower, the Lender is authorized without notice to the Borrower, to date this Agreement.

13. This Agreement 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 provisions 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 this Agreement.

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

IN WITNESS WHEREOF, this Agreement has been duly executed on
this 27th day of December, 1990.

BORROWER:

LAKE COUNTY TRUST COMPANY, as
Trustee Pursuant to a Trust
Agreement Dated November 27,
1989 and known as Trust No.
4016

SEE SIGNATURE PAGE ATTACHED

By: _____

STATE OF INDIANA

COUNTY OF LAKE

Document is
SS:
NOT OFFICIAL!

This Document is the property of

Be it remembered, that on this _____ day of December, 1990,
came before me _____ of Lake County Trust
Company, who being duly sworn upon oath, did acknowledge
execution and delivery of the within instrument to be the act and
deed of said Trust by authority granted to it for the purposes
therein contained.

My Commission Expires: _____

Notary Public

County of Residence: _____

(SEAL)



This Instrument Prepared By:
James L. Jorgensen
HOEPPNER, WAGNER & EVANS
103 E. Lincolnway, P.O. Box 2357
Valparaiso, Indiana 46384
Telephone: (219) 464-4961

EXHIBIT A

All equipment, fixtures, furniture, accounts (including rents) and general intangibles and all tools, accessories, parts and assessments thereto, now owned or hereafter acquired and all proceeds, including insurance proceeds therefrom, all located at or on or relating to the real estate described below:

Lots 8, 9, 10, 11 and 12, Block 5, Subdivision of part of the Southeast Quarter of Section 29, Township 37 North, Range 9 West of the 2nd P.M., in the City of East Chicago, as shown in Plat Book 2, Page 11, in Lake County, Indiana.

