

8

ASSIGNMENT OF NOTE AND MORTGAGES

THIS INDENTURE WITNESSETH THAT, the FIRST NATIONAL BANK of VALPARAISO, 14 Indiana Avenue, Valparaiso, Indiana, (hereinafter referred to as the "Assignor"), hereby assigns, transfers, grants, bargains, sells and sets over without recourse to HARLAN STRATTON and BETTY STRATTON, husband and wife, 930 Duck Creek Court, Hobart, Indiana, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, all of Assignor's the right, title and interest in and to the following:

1. That certain Mortgage executed by CATHERINE A. MACKENZIE a/k/a KATE MACKENZIE to Assignor dated the 30th day of June, 1994 and recorded on July 1, 1994 as Document No. 94050528 in the Office of the Recorder of Lake County, Indiana, a copy of which is attached hereto as Exhibit "A" and made a part hereof; and

2. That certain Mortgage executed by CATHERINE A. MACKENZIE a/k/a KATE MACKENZIE to Assignor dated the 31st day of May, 1996 and recorded on July 3, 1996 as Document No. 96044501 in the Office of the Recorder of Lake County, Indiana, a copy of which is attached hereto as Exhibit "B" and made a part hereof.

Said Mortgages cover the following described real estate in Lake County, in the State of Indiana:

The North 1/2 of Lot 5 in Block 5 in Hobart Park Addition to Hobart, as per plat thereof, recorded in Plat Book 12 page 30, in the Office of the Recorder of Lake County, Indiana; and commonly known as 144 South Wisconsin Street, Hobart, Indiana, 46342.

Together with a Note in the principal sum of Fourteen Thousand Nine Hundred Fifty-Five and 18/100 Dollars (\$14,955.18), a copy of which is attached hereto as Exhibit "C" and made a part hereof, which Note is secured by the above-described mortgages.

Assignor hereby warrants and represents that:

(a) That it is the lawful owner of the Note and Mortgages described above; and

(b) That there is now owing on the Note secured by the Mortgages described above, according to the records of the Assignor, the principal sum of Thirteen thousand nine hundred ninety nine and 18/100 (\$13,999.18), with interest at the rate of 8.99 per annum.

96028517

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
AUG 22 1996 4:03

CHK# 84399

2000 PM

The undersigned persons executing this Assignment of Note and Mortgages on behalf of the Assignor represent and certify that they are duly elected officers of the Assignor and are fully empowered to execute and deliver this Assignment of Note Mortgages and that the Assignor has full corporate capacity to assign the Note and Mortgages described herein.

IN WITNESS WHEREOF, the Assignor has caused this Assignment of Mortgages to be executed this 6 day of April, 1998.

FIRST NATIONAL BANK  
OF VALPARAISO

By: [Signature]  
Brad Dolezal

Document is  
**NOT OFFICIAL!**

Attest: \_\_\_\_\_

This Document is the property of  
the Lake County Recorder!

STATE OF INDIANA )  
                          )  
COUNTY OF LAKE )

SS:

Before me, the undersigned, a Notary Public in and for said County and State aforesaid, personally appeared Brad Dolezal and \_\_\_\_\_, as First National Bank of Valparaiso, respectively, and severally acknowledged the execution of the foregoing Assignment of Note and Mortgages.

Witness my hand and official seal this 6th day of April, 1998.

[Signature]  
Stephanie Lundy, Notary Public  
Residing in Porter County.

My Commission Expires:  
01-29-08

THIS INSTRUMENT PREPARED BY: Nick Katich, Attorney-at-Law  
300 East 90th Drive  
Merrillville, IN 46410

[Handwritten mark]

PO Box 2147  
Valpo 46383.

3

# REAL ESTATE MORTGAGE

THIS INDENTURE WITNESSETH, That, .....

Catherine A Mackinzie also known as Kate MacKenzie

Porter..... County, in the state of .....Indiana..... hereinafter called

mortgagors, MORTGAGE AND WARRANT TO: FIRST NATIONAL BANK, VALPARAISO

14 Indiana Avenue Valparaiso, Indiana 46383

of Porter County, Indiana, hereinafter called the mortgagee, the following described real estate in Porter County, Indiana, to-wit:

The North 1/2 of Lot 5 in Block 5 in Hobart Park Addition to Hobart, as per plat thereof, recorded in Plat Book 12 page 30, in the Office of the Recorder of Lake County, Indiana.



94050528

together with all of the rights, privileges, appurtenances and improvements thereunto appertaining and belonging together with rents, issues and profits thereof.

TO SECURE THE PAYMENT when the same shall become due of any and all existing notes of the mortgagors, or either of them, and all existing indebtedness and liabilities of the mortgagors, or either of them, in favor of the mortgagee and of any and all promissory notes which are concurrently herewith or may be hereafter during a period of

...20.... years from this date be advanced to mortgagor in which notes specifically state they are secured by this mortgage, executed by the mortgagors, or either of them, in favor of the mortgagee and to secure any and all other indebtedness and direct or contingent liabilities of the mortgagors, or either of them, concurrently or hereafter incurred by the mortgagors, or either of them, in favor of the mortgagee, or acquired by the mortgagee against either or both of

the mortgagors. This mortgage is limited to a principal indebtedness not to exceed \$ 12,000.00

Whenever requested, mortgagors agree to furnish mortgagee with a current, certified, accurate and complete financial statement.

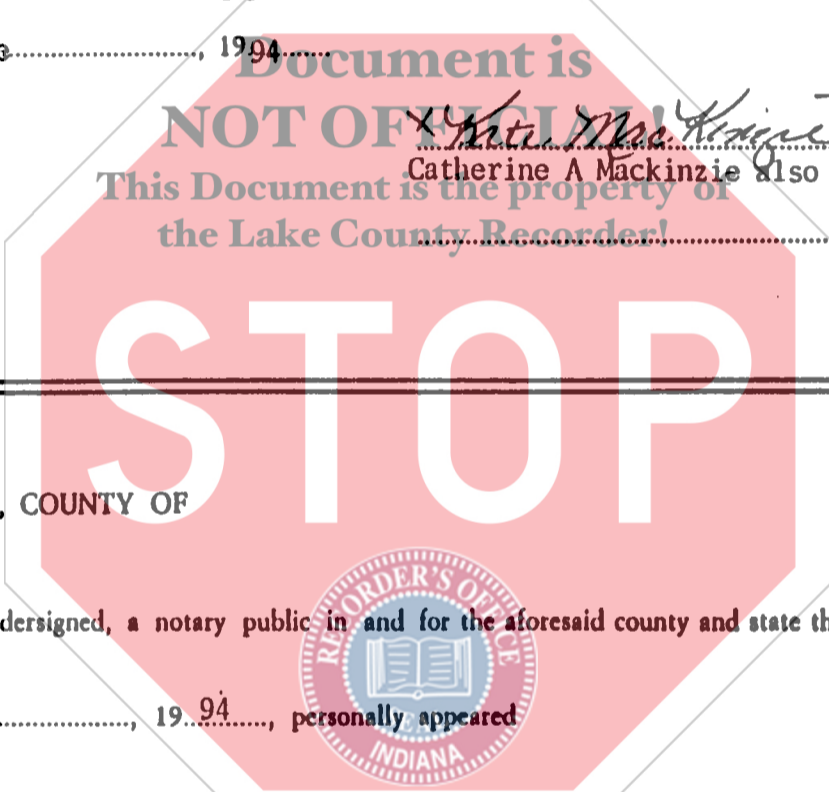
It is covenanted and agreed that this mortgage shall be a continuing security for all such indebtedness and liabilities and for any sum, or sums, advanced by the mortgagee as aforesaid, and it is expressly agreed that any note, or notes, executed hereunder may be paid in whole or in part and thereafter subsequent and further advances may be made and new notes executed and this mortgage shall at all times secure the payment of any and all of such advances and notes and any all renewals and extensions thereof, and any and all additional notes executed according to the terms hereof, along with any and all other indebtedness and/or liability of the mortgagors, or either of them, to the mort-

Handwritten initials/signature

- (11) That, in the event the ownership of the mortgaged premises, or any part thereof, becomes vested in any persons, or persons, other than the mortgagors, the mortgagee may, without notice to the mortgagors, deal with such successor, or successors in interest with reference to this mortgage and the debt hereby secured in the same manner as with the mortgagors, without in any way vitiating or discharging the mortgagors' liability hereunder, or upon the debt hereby secured, and the mortgagee may, in such event, extend the time for the payment of said indebtedness or the performance of any or all of the covenants hereof, or reduce the payments to be made upon such indebtedness, and any extension, or reduction, shall not release the mortgagors from their liability under said note and this mortgage;
- (12) To pay any and all mechanic's, laborer's, or materialmen's liens, which may be or may become a lien upon the real estate herein described; also, to pay any prior liens or encumbrances which may at the time this mortgage is executed be a lien upon said premises, and to pay any and all outstanding claims lessening the legal or equitable interest and title of the mortgagors in and to said premises;
- (13) To pay, in case of the mortgagee's placing this mortgage and/or the note, or notes, hereby secured in the hands of an attorney for collection, or in case of any legal proceedings wherein the mortgagee herein should be required to defend or protect its rights, interest or lien under this mortgage and the debt secured hereby, all reasonable attorney's fees, expenses and costs incidental thereto, and upon failure of the mortgagors to pay the same, the mortgagee may do so and the same shall, thereupon, become and be a part of the debt secured by this mortgage; also, in case of the foreclosure of this mortgage, to pay reasonable attorney's fees for such foreclosure and services incidental thereto.

Upon the written request of the mortgagors made at any time when all notes, debts and liabilities hereby secured are paid in full, the mortgagee agrees to release this mortgage.

IN WITNESS WHEREOF, said mortgagors have hereunto set their hands and seals this .....30th..... day of  
 .....June....., 1994.....



*Catherine A Mackenzie* ..... (SEAL)  
 Catherine A Mackenzie also known as Kate MacKenzie  
 ..... (SEAL)

STATE OF INDIANA, COUNTY OF  
 PORTER, SS:

Before me, the undersigned, a notary public in and for the aforesaid county and state this .....30th..... day of  
 .....June....., 1994....., personally appeared

.....Catherine A Mackenzie also known as Kate MacKenzie.....  
 and acknowledge the execution of the foregoing mortgage.

WITNESS my hand and notarial seal.

*Kelly Campbell*  
 Kelly Campbell, Resident of Porter County

Notary Public

My commission expires

04-10-98

This instrument prepared by: First National Bank, Valparaiso, Brad Dolezal, Vice President

3

# REAL ESTATE MORTGAGE

THIS INDENTURE WITNESSETH, That, ..... Catherine A. Mackinzie also known as Kate Mackenzie

of ..... Lake County, in the state of ..... Indiana hereinafter called

the mortgagors, MORTGAGE AND WARRANT TO: FIRST NATIONAL BANK, VALPARAISO

14 Indiana Avenue, Valparaiso, Indiana 46383

of Porter County, Indiana, hereinafter called the mortgagee, the following described real estate in Lake County, Indiana, to-wit:

the North 1/2 of Lot 5 in Block 5 in Hobart Park Addition to Hobart, as per plat thereof, recorded in Plat Book 12 page.30, in the Office of the Recorder of Lake County, Indiana.



96044501

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
96 JUL -3 AM 8:50  
MARSHALL W. WELLS  
RECORDER

together with all of the rights, privileges, appurtenances and improvements thereunto appertaining and belonging together with rents, issues and profits thereof.

TO SECURE THE PAYMENT when the same shall become due of any and all existing notes of the mortgagors, or either of them, and all existing indebtedness and liabilities of the mortgagors, or either of them, in favor of the mortgagee and of any and all promissory notes which are concurrently herewith or may be hereafter during a period of

...20... years from this date be advanced to mortgagor in which notes specifically state they are secured by this mortgage, executed by the mortgagors, or either of them, in favor of the mortgagee and to secure any and all other indebtedness and direct or contingent liabilities of the mortgagors, or either of them, concurrently or hereafter incurred by the mortgagors, or either of them, in favor of the mortgagee, or acquired by the mortgagee against either or both of

the mortgagors. This mortgage is limited to a principal indebtedness not to exceed \$.....3,000.00.....

Whenever requested, mortgagors agree to furnish mortgagee with a current, certified, accurate and complete financial statement.

It is covenanted and agreed that this mortgage shall be a continuing security for all such indebtedness and liabilities and for any sum, or sums, advanced by the mortgagee as aforesaid, and it is expressly agreed that any note, or notes, executed hereunder may be paid in whole or in part and thereafter subsequent and further advances may be made and new notes executed and this mortgage shall at all times secure the payment of any and all of such advances and notes and any all renewals and extensions thereof, and any and all additional notes executed according to the terms hereof, along with any and all other indebtedness and/or liability of the mortgagors, or either of them, to the mort-

PROPERTY ADDRESS AT: 144 S WISCONSIN STREET, HOBART, IN 46342-4141

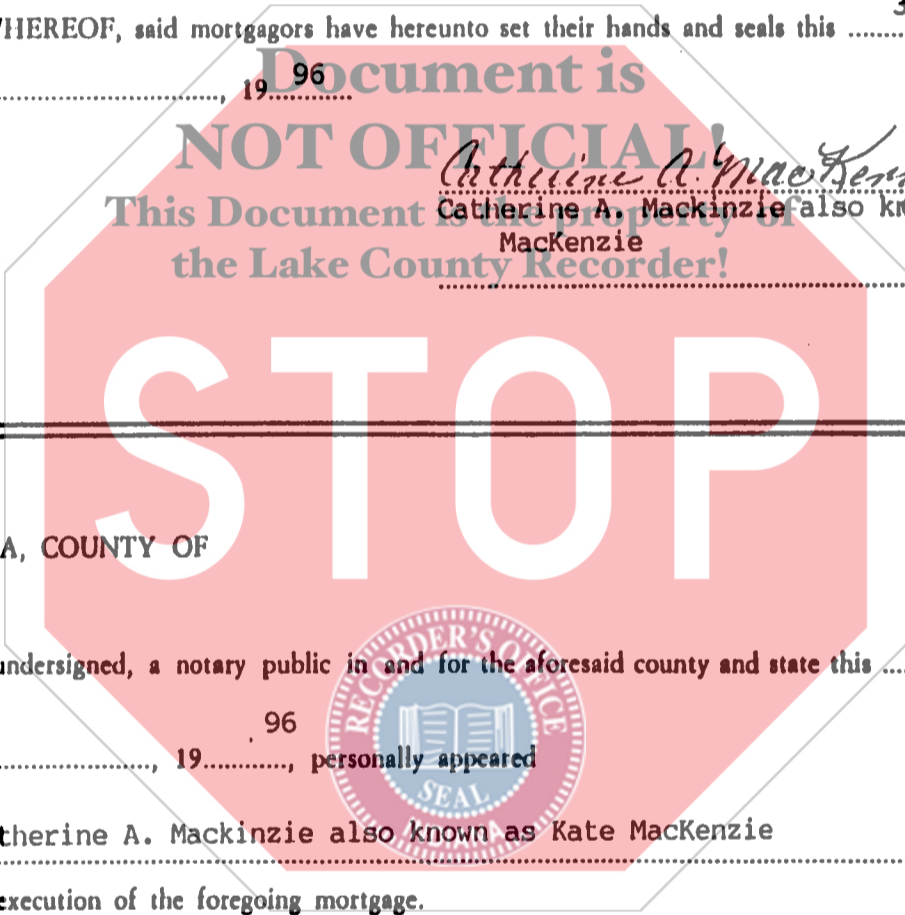
Exhibit "B"

1300 SW  
CR# 8399257

- (11) That, in the event the ownership of the mortgaged premises, or any part thereof, becomes vested in any persons, or persons, other than the mortgagors, the mortgagee may, without notice to the mortgagors, deal with such successor, or successors in interest with reference to this mortgage and the debt hereby secured in the same manner as with the mortgagors, without in any way vitiating or discharging the mortgagors' liability hereunder, or upon the debt hereby secured, and the mortgagee may, in such event, extend the time for the payment of said indebtedness or the performance of any or all of the covenants hereof, or reduce the payments to be made upon such indebtedness, and any extension, or reduction, shall not release the mortgagors from their liability under said note and this mortgage;
- (12) To pay any and all mechanic's, laborer's, or materialmen's liens, which may be or may become a lien upon the real estate herein described; also, to pay any prior liens or encumbrances which may at the time this mortgage is executed be a lien upon said premises, and to pay any and all outstanding claims lessening the legal or equitable interest and title of the mortgagors in and to said premises;
- (13) To pay, in case of the mortgagee's placing this mortgage and/or the note, or notes, hereby secured in the hands of an attorney for collection, or in case of any legal proceedings wherein the mortgagee herein should be required to defend or protect its rights, interest or lien under this mortgage and the debt secured hereby, all reasonable attorney's fees, expenses and costs incidental thereto, and upon failure of the mortgagors to pay the same, the mortgagee may do so and the same shall, thereupon, become and be a part of the debt secured by this mortgage; also, in case of the foreclosure of this mortgage, to pay reasonable attorney's fees for such foreclosure and services incidental thereto.

Upon the written request of the mortgagors made at any time when all notes, debts and liabilities hereby secured are paid in full, the mortgagee agrees to release this mortgage.

IN WITNESS WHEREOF, said mortgagors have hereunto set their hands and seals this 31ST day of MAY, 1996



*Catherine A. MacKenzie* (SEAL)  
 Catherine A. Mackinzie also known as Kate MacKenzie (SEAL)

STATE OF INDIANA, COUNTY OF PORTER, SS:

Before me, the undersigned, a notary public in and for the aforesaid county and state this 31st day of May, 1996, personally appeared

Chatherine A. Mackinzie also known as Kate MacKenzie

and acknowledge the execution of the foregoing mortgage.

WITNESS my hand and notarial seal.

*Kelly Campbell*  
 Kelly Campbell, Resident of Porter County

Notary Public

My commission expires

4-10-98

This instrument prepared by: Brad Dolezal, Vice President, First National Bank, Valparaiso.

**INSTALLMENT LOAN**  
**FIRST NATIONAL BANK, VALPARAISO**  
 P O BOX 2147  
 VALPARAISO, IN 46384-2147

**KATE HACKENZIE** 307 7981  
 144 S. WISCONSIN ST  
 HOBART IN 46342141  
 Phone No: 2199477247 CT #: 42200

**OFFICER #:** 0457KC  
 Loan Number **00012136-30010**  
 Date **MAY 31, 1996**  
 Maturity Date **OCT. 01, 1999**  
 Loan Amount \$ **16,000.00**  
 Renewal Of **163641/169525**

LENDER'S NAME AND ADDRESS  
 \*You\* means the Lender, its successors and assigns.

BORROWER'S NAME AND ADDRESS  
 \*I\* includes each Borrower above, jointly and severally.

TERMS FOLLOWING A  APPLY ONLY IF CHECKED  
 NOTE - For value received, I promise to pay to you, or your order, at your address above, the principal sum of: 16,000.00 Dollars \$

plus interest from MAY 31, 1996 at the rate of 8.99 % per year until paid in full.

PAYMENT - I will pay this note as follows:  
 (a)  Interest due: \_\_\_\_\_  
 Principal due: \_\_\_\_\_  
 (b)  This note has 40 payments. The first payment will be in the amount of \$ 275.00 and will be due JULY 01, 1996  
 A payment of \$ 275.00 will be due on the SAME day of each MONTH thereafter.  
 The final payment of the entire unpaid balance of principal and interest will be due 365 DAY

INTEREST - Interest accrues on a \_\_\_\_\_ basis.  
 **MINIMUM FINANCE CHARGE** - I agree to pay a minimum finance charge of \$ 30.00 if I pay this loan off before you have earned that much in finance charges.

**LATE CHARGE** - I agree to pay a late charge on any installment or minimum payment not paid in full within 10 days after it is due of \$ 14.50. I agree that you may change this amount pursuant to Indiana Code §§ 24-4.5-1-108 and 24-4.5-3-203.5 so as to always be the maximum amount allowed by law.

Interest starts accruing: June 6, 1996  
 SECURITY - You have certain rights that may affect my property as explained on page 2. This loan  is  is not otherwise secured. 06/30/94

(a)  This loan is secured by \_\_\_\_\_  
 (b)  Security Agreement - I give you a security interest in the Property described below. The rights I am giving you in this Property and the obligations this agreement secures are defined on page 2 of this agreement.  
**REAL ESTATE MORTGAGE DATED: 06/30/94 FOR \$ 12,000.00**  
**REN DATED 05-31-96 FOR \$ 3,000.00**

**Document is NOT OFFICIAL!**  
 This Document is the Property of the Lake County Recorder.

<b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate. <u>8.990</u> %	<b>FINANCE CHARGE</b> The dollar amount the credit will cost me. <u>3,805.74</u>	<b>AMOUNT FINANCED</b> The amount of credit provided to me or on my behalf. <u>\$ 16,000.00</u>	<b>TOTAL OF PAYMENTS</b> The amount I will have paid when I have made all scheduled payments. <u>\$ 19,814.59</u>	I have the right to receive at this time an itemization of the Amount Financed. <input type="checkbox"/> YES - I want an itemization. <input type="checkbox"/> NO - I do not want an itemization. *e* means an estimate.
<b>My Payment Schedule will be:</b>				<input type="checkbox"/> Filing Fees <input type="checkbox"/> Nonfiling Insurance
Number of Payments	Amount of Payments	When Payments Are Due		
<u>40</u>	<u>\$ 275.00</u>	<u>Monthly Beginning JULY 01, 1996</u>		
<u>1</u>	<u>\$ 8,814.59</u>	<u>OCT. 01, 1999</u>		

This note has a demand feature.  This note is payable on demand and all disclosures are based on an assumed maturity of one year.  
 Security - I am giving a security interest in:  
 the goods or property being purchased.  
 collateral securing other loans with you may also secure this loan.  
 my deposit accounts and other rights to the payment of money from you.  
 Late Charge - If a payment is late by more than 10 days, I will be charged \$ 14.50. This amount may change pursuant to Indiana Code §§ 24-4.5-1-108 and 24-4.5-3-203.5. **THE DEBTOR MAY PREPAY IN FULL OR IN PART THE UNPAID BALANCE OF THE LOAN AT ANY TIME WITHOUT PENALTY**  
 Prepayment - If I pay off this note early, I  may  will not have to pay a minimum finance charge.  
 Required Deposit - The annual percentage rate does not take into account my required deposit.  
 Assumption - Someone buying the property securing this obligation cannot assume the remainder of the obligation on the original terms. I can see my contract documents for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

**CREDIT INSURANCE** - Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional costs.

Type	Premium	Term
Credit Life	<u>\$597.17</u>	<u>40</u> MOS
Credit Disability	<u>\$456.50</u>	<u>40</u> MOS
Joint Credit Life		

**ITEMIZATION OF AMOUNT FINANCED**

AMOUNT GIVEN TO ME DIRECTLY	\$ <u>14,955.10</u>
AMOUNT PAID ON MY (LOAN) ACCOUNT	\$ _____
AMOUNTS PAID TO OTHERS ON MY BEHALF:	
to Insurance Companies	\$ <u>1,053.67</u>
to Public Officials	\$ _____
_____	\$ <u>.00</u>
_____	\$ _____
_____	\$ _____
(less) PREPAID FINANCE CHARGE(S)	\$ _____
<b>Amount Financed</b>	\$ <u>16,000.00</u>

I  do  do not want credit life insurance.  
 I  do  do not want credit disability insurance.  
 I  do  do not want joint credit life insurance.  
 I  do  do not want \_\_\_\_\_ insurance.  
 X Kate MacKenzie DOB 10/01/31  
 X \_\_\_\_\_ DOB \_\_\_\_\_

**PROPERTY INSURANCE** - I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ \_\_\_\_\_ for \_\_\_\_\_ of coverage.  
**SINGLE INTEREST INSURANCE** - I may obtain single interest insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ \_\_\_\_\_ for \_\_\_\_\_ of coverage.

(Add all items financed and subtract prepaid finance charges.)  
**SIGNATURES** - I AGREE TO THE TERMS SET OUT ON PAGE 1 AND PAGE 2 OF THIS AGREEMENT. I HAVE RECEIVED A COPY OF THIS DOCUMENT ON TODAY'S DATE.  
**COSIGNERS** - SEE NOTICE ON PAGE 2 BEFORE SIGNING.  
 Signature KATE HACKENZIE 307-30-7981  
 Signature Kate MacKenzie

Signed \_\_\_\_\_ For Lender  
 Title \_\_\_\_\_

ADDITIONAL TERMS OF THE NOTE

DEFINITIONS - "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us") "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW - This note and any agreement securing this note will be governed by the laws of the state of Indiana. The federal Truth-in-Lending disclosures on page 1 are disclosures only and are not intended to be terms of this agreement. The fact that any part of this note cannot be enforced will not affect the rest of this note. Any change to this note or any agreement securing this note must be in writing and signed by you and me.

PAYMENTS - Each payment I make on this loan will be applied first to any charges I owe other than delinquency charges, principal, and interest; then to interest that is due; then to principal that is due; and finally to delinquency charges, if any. No late charge will be assessed on any payment when the only delinquency is due to late fees assessed on earlier payments and the payment is otherwise a full payment. The actual amount of my final payment will depend on my payment record.

PHEPAYMENT - I may prepay this loan in whole or in part at any time. If I prepay in part, I must still make each later payment in the original amount as it becomes due until this note is paid in full.

USURY - The interest rate and other charges on this loan will never exceed the highest rate or charge allowed by law for this loan.

ACCRUAL METHOD - The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1. For interest calculation, the accrual method will determine the number of days in a year. If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

REAL ESTATE OR RESIDENCE SECURITY - If this loan is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by this agreement.

DEFAULT - Subject to any limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph above, I will be in default on this loan and any agreement securing this loan if any one or more of the following occurs:

- (a) I fail to make a payment in full when due;
(b) I die, am declared incompetent, or become insolvent;
(c) I fail to keep any promise I have made in connection with this loan;
(d) I fail to pay, or keep any other promise on, any other loan or agreement I have with you;
(e) I make any written statement or provide any financial information that is untrue or inaccurate at the time it is provided;
(f) Any creditor of mine attempts to collect any debt I owe through court proceedings, set-off or self-help repossession;
(g) The Property is damaged, destroyed or stolen;
(h) I fail to provide any additional security that you may require;
(i) Any legal entity (such as a partnership or corporation) that has agreed to pay this note merges, dissolves, reorganizes, ends its business or existence, or a partner or majority stockholder dies or is declared incompetent; or
(j) Anything else happens that causes you to believe that you will have difficulty collecting the amount I owe you.

If any of us are in default on this note or any security agreement, you may exercise your remedies against any or all of us.

REMEDIES - Subject to any limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph above, if I am in default on this loan or any agreement securing this loan, you may:

- (a) Make unpaid principal, earned interest and all other agreed charges I owe you under this loan immediately due;
(b) Use the right of set-off as explained below;
(c) Demand more security or new parties obligated to pay this loan (or both) in return for not using any other remedy;
(d) Make a claim for any and all insurance benefits or refunds that may be available on my default;
(e) Use any remedy you have under state or federal law; and
(f) Use any remedy given to you in any agreement securing this loan.

By choosing any one or more of these remedies you do not give up your right to use another remedy later. By deciding not to use any remedy should I be in default, you do not give up your right to consider the event a default if it happens again.

COSTS OF COLLECTION AND ATTORNEYS' FEES - I agree to pay you all reasonable costs you incur to collect this debt or realize on any security, all without relief from valuation and appraisal laws. This includes, unless prohibited by law, reasonable attorneys' fees. This provision also shall apply if I file a petition or any other claim for relief under any bankruptcy rule or law of the United States, or if such petition or other claim for relief is filed against me by another.

SET-OFF - I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- (a) Any deposit account balance I have with you;
(b) Any money owed to me on an item presented to you or in your possession for collection or exchange; and
(c) Any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

OTHER SECURITY - Any present or future agreement securing any other debt I owe you also will secure the payment of this loan. Property securing another debt will not secure this loan if such property is my principal dwelling and you fail to provide any required notice of right of rescission. Also, property securing another debt will not secure this loan to the extent such property is in household goods.

OBLIGATIONS INDEPENDENT - I understand that my obligation to pay this loan is independent of the obligation of any other person who has also agreed to pay it. You may, without notice, release me or any of us, give up any right you may have against any of us, extend new credit to any of us, or renew or change this note one or more times and for any term, and I will still be obligated to pay this loan. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

WAIVER - I waive (to the extent permitted by law) demand, presentment, protest, notice of dishonor and notice of protest.

PRIVACY - I agree that from time to time you may receive credit information about me from others, including other lenders and credit reporting agencies. I agree that you may furnish on a regular basis credit and experience information regarding my loan to others seeking such information. To the extent permitted by law, I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others.

FINANCIAL STATEMENTS - I will give you any financial statements or information that you feel is necessary. All financial statements and information I give you will be correct and complete.

PURCHASE MONEY LOAN - If this is a purchase money loan, you may include the name of the seller on the check or draft for this loan.

ADDITIONAL TERMS OF THE SECURITY AGREEMENT

SECURED OBLIGATIONS - This security agreement secures this loan (including all extensions, renewals, refinancings and modifications) and any other debt I have with you now or later. Property described in this security agreement will not secure other such debts if you fail to give any required notice of the right of rescission with respect to the Property. Also, this security agreement will not secure other debts if this security interest is in household goods and the other debt is a consumer loan. This security agreement will last until it is discharged in writing.

For the sole purpose of determining the extent of a purchase money security interest arising under this security agreement:

- (a) Payments on any nonpurchase money loan also secured by this agreement will not be deemed to apply to the purchase money loan; and
(b) Payments on the purchase money loan will be deemed to apply first to the nonpurchase money portion of the loan, if any, and then to the purchase money obligations in the order in which the items were acquired.

No security interest will be terminated by application of this formula. "Purchase money loan" means any loan the proceeds of which, in whole or in part, are used to acquire any property securing the loan and all extensions, renewals, consolidations and refinancings of such loan.

PROPERTY - The word "Property," as used here, includes all property that is listed in the security agreement on page 1. If a general description is used, the word Property includes all my property fitting the general description. Property also means all benefits that arise from the described Property (including all proceeds, insurance benefits, payments from others, interest, dividends, stock splits and voting rights). It also means property that now or later is attached to, is a part of, or results from the Property.

OWNERSHIP AND DUTIES TOWARD PROPERTY - Unless a co-owner(s) of the Property signed a third party agreement, I represent that I own all the Property. I will defend the Property against any other claim. I agree to do whatever you require to perfect your interest and keep your priority. I will not do anything to harm your position.

I will keep the Property in my possession (except if pledged and delivered to you). I will keep it in good repair and use it only for its intended purposes. I will keep it at my address unless we agree otherwise in writing.

I will not try to sell or transfer the Property, or permit the Property to become attached to any real estate, without your written consent. I will pay all taxes and charges on the Property as they become due. I will inform you of any loss or damage to the Property. You have the right of reasonable access in order to inspect the Property.

INSURANCE - I agree to buy insurance on the Property against the risks and for the amounts you require. I will name you as loss payee on any such policy. You may require added security on this loan if you agree that insurance proceeds may be used to repair or replace the Property. I agree that if the insurance proceeds do not cover the amount I still owe you, I will pay the difference. I will buy the insurance from a firm authorized to do business in Indiana. The firm will be reasonably acceptable to you. I will keep the insurance until all debts secured by this agreement are paid.

DEFAULT AND REMEDIES - If I am in default, in addition to the remedies listed in the note portion of this document and subject to any of the limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph, you may (after giving notice and waiting a period of time, if required by law):

- (a) Pay taxes or other charges, or purchase any required insurance, if I fail to do these things (but you are not required to do so). You may add the amount you pay to this loan and accrue interest on that amount at the interest rate disclosed on page 1 until paid in full;
(b) Require me to gather the Property and any related records and make it available to you in a reasonable fashion;
(c) Take immediate possession of the Property, but in doing so you may not breach the peace or unlawfully enter onto my premises. You may sell, lease or dispose of the Property as provided by law. (If the Property includes a manufactured home, you will begin the repossession by giving me notice and an opportunity to cure my default, if required by law.) You may apply what you receive from the sale of the Property to your expenses and then to the debt. If what you receive from the sale of the Property is less than what I owe you, you may take me to court to recover the difference (to the extent permitted by law); and
(d) Keep the Property to satisfy the debt.

I agree that when you must give notice to me of your intended sale or disposition of the Property, the notice is reasonable if it is sent to me at my last known address by first class mail 10 days before the intended sale or disposition. I agree to inform you in writing of any change in my address.

FILING - A copy of this security agreement may be used as a financing statement when allowed by law. You may file a financing statement signed by you instead of me with the appropriate public officials.

ASSUMPTIONS - This security agreement and any loan it secures cannot be assumed by someone buying the Property from me. This will be true unless you agree in writing to the contrary. Without such an agreement, if I try to transfer any interest in the Property, I will be in default on all obligations that are secured by this security agreement.

THIRD PARTY AGREEMENT

For the purposes of the provisions within this enclosure, "I," "me" or "my" means the person signing below and "you" means the Lender identified on page 1.

I agree to give you a security interest in the Property that is described on page 1. I agree to the terms of this note and security agreement but I am in no way personally liable for payment of the debt. This means that if the Borrower defaults, my interest in the Property may be used to satisfy the Borrower's debt. I agree that you may, without releasing me or the Property from this Third Party Agreement and without notice or demand upon me, extend new credit to any borrower, renew or change this note or security agreement one or more times and for any term, or fail to perfect your security interest in, impair, or release any security (including guaranties) for the obligations of any borrower.

I HAVE RECEIVED A COMPLETED COPY OF THIS NOTE AND SECURITY AGREEMENT.

NAME \_\_\_\_\_
X

NOTICE TO COSIGNER

You (the cosigner) are being asked to guaranty this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You also may have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

Attach FTC "Preservation of Consumer Claims and Defense" Notice if Applicable