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98040547

STATE OF INDIANA
LAKE COUNTY
RECORD
MORTGAGE

This mortgage made and entered into this 29 day of May, 1998 by and between the City of East Chicago (hereinafter referred to as mortgagee) and Garman Printing Company, Inc. (hereinafter referred to as mortgagor), who maintains an office and place of business at 1104 West Chicago, Indiana 46312.

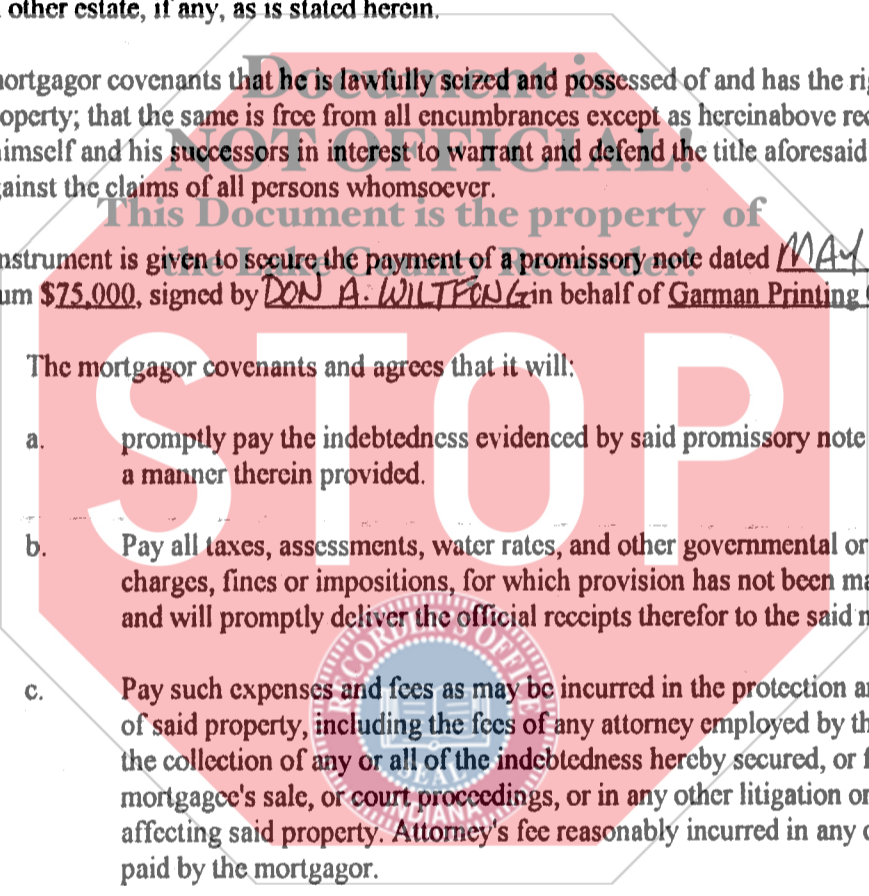
WITNESSETH, that for the consideration hereinafter stated, receipt of which is hereby acknowledged, the mortgagor does hereby mortgage, sell, grant, assign, and convey unto the mortgagee, its successors and assigns, all of the following described property situated and being the County of Lake, State of Indiana:

Together with and including all buildings, all fixtures including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the mortgagor hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, all rights of redemption, and the rents, issues, and profits of the above described property (provided, however, that the mortgagor shall be entitled to the possession of said property and to collect and retain the rents, issues, and profits until default hereunder). To have and to hold the same unto the mortgagee and the successors in interest of the mortgagee forever in fee simple or such other estate, if any, as is stated herein.

The mortgagor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinabove recited; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the claims of all persons whomsoever.

This instrument is given to secure the payment of a promissory note dated MAY 29, 1998, in the principal sum \$75,000, signed by DON A. WILTFONG in behalf of Garman Printing Company, Inc.

1. The mortgagor covenants and agrees that it will:
 - a. promptly pay the indebtedness evidenced by said promissory note at all times and in a manner therein provided.
 - b. Pay all taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the said mortgagee.
 - c. Pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the mortgagee for the collection of any or all of the indebtedness hereby secured, or foreclosure by mortgagee's sale, or court proceedings, or in any other litigation or proceeding affecting said property. Attorney's fee reasonably incurred in any other way shall be paid by the mortgagor.
 - d. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the indebtedness evidenced by said promissory note or any part thereof secured hereby.
 - e. Continuously maintain hazard insurance, of such type or types and in such amounts as the mortgagee may from time to time require on the improvements now or hereafter on said property, and will pay promptly when due any premiums therefore. All insurance shall be carried in companies acceptable to mortgagee and the policies and renewals thereof shall be held by mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee and naming mortgagee as such. In event of loss, mortgagee may make proof of loss if not made promptly by mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to mortgagee instead of to mortgagor and mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged or destroyed. In event of foreclosure of this mortgage or other transfer of title to said property in extinguishment of the indebtedness secured hereby, all right, title and interest of the mortgagor in and to any insurance policies then in force shall



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pass to the purchaser or mortgagee or, at the option of the mortgagee, may be surrendered for a refund.

- f. Keep all buildings and other improvements on said property in good repair and condition; will permit, commit, or suffer no waste, impairment, deterioration of said property or any part thereof; in the event of failure of the mortgagor to keep the buildings on said premises and those erected on said premises, or improvements thereon, in good repair, the mortgagee may make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the full amount of each and every such payment shall be immediately due and payable; and shall be secured by the lien of this mortgage.
- g. Not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage without the written consent of the mortgagee; and further, that he will keep and maintain the same free from the claim of all persons supplying labor or materials for construction of any and all buildings or improvements now being erected or to be erected on said premises.
- h. Not rent or assign any part of the rent of said mortgaged property or demolish, or remove, or substantially alter any building without the written consent of the mortgagee.
- i. All awards of damages in connection with any condemnation for public use of or injury to any of the property subject to this mortgage are hereby assigned and shall be paid to mortgagee, who may apply the same to payment of the installments last due under said note, and mortgagee is hereby authorized, in the name of the mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award.
- j. The mortgagee shall have the right to inspect the mortgaged premises at any reasonable time.

2. Default in any of the covenants or conditions of this instrument or of the note or loan agreement secured hereby shall terminate the mortgagor's right to possession, use, and enjoyment of the property, at the option of the mortgagee or his assigns (it being agreed that the mortgagor shall have such right until default). Upon any such default, the mortgagee shall become the owner of all the rents and profits accruing after default as security for the purpose of collecting such rents and profits. This instrument shall operate as an assignment of any rentals on said property to that extent.

3. The mortgagor covenants and agrees that if it shall fail to pay said indebtedness or any part thereof when due, or shall fail to perform any covenants or agreements of this instrument or the promissory note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible without notice at the option of the mortgagee or assigns, regardless of maturity, and the mortgagee or its assigns may before or after entry sell said property without appraisal (the mortgagor having waived and assigned to the mortgagee all rights of appraisal):

- (i) at judicial sale,
- (ii) at the option of the mortgagee, either by auction or by solicitation of sealed bids, for the highest and best bid complying with the terms of sale and manner of payment specified in the published notice of sale, first giving four weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said four weeks in a newspaper published or distributed in the county in which said property is situated, all other notice being hereby waived by the mortgagor (and said mortgagee, or any person on behalf of said mortgagee, may bid with the unpaid indebtedness evidenced by said note.) Said sale shall be held at or on the property to be sold or at the Federal, county or city courthouse for the county in which the property is located. The mortgagee is hereby authorized to execute for and on the behalf of the mortgagor and to deliver to the purchaser at such sale a sufficient conveyance of said property, which conveyance shall contain recitals as the happening of the default upon which the execution of the power of sale herein granted depends; and the said mortgagor hereby constitutes and appoints the mortgagee or any agent or attorney to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be

NOTE

East Chicago, Indiana
(City and State)

\$75,000

For value received in consideration of the terms contained in the letter of commitment, the undersigned promise to pay to the order of the City of East Chicago at its office in the City of East Chicago, State of Indiana, or at holder's option, at such other place as may be designated from time to time by the holder, seventy-five thousand Dollars (\$75,000), with interest on unpaid principal computed from the date of each advance to the undersigned at the rate of 8.5 percent per annum, payment to be made in installments as follows:

The initial rate on the financing for the first six months after the date of closing will be 4.5% to allow the borrower to secure permanent financing for the project. Said payments will total \$1,687.50 or \$281.25 per month for six months. At the conclusion of the six month special rate period, the loan will revert to a self-amortizing loan with a five year term and an interest rate of 8.5% with monthly payments of \$1,538.74.

Payment to any installment of principal or interest owing on this Note may be made prior to the maturity date thereof without penalty.

The term "Indebtedness" as used herein shall mean the indebtedness evidenced by this Note, including principal, interest, and expenses, whether contingent, now due or hereafter to be due and whether heretofore or contemporaneously herewith or hereafter contracted. The term "Collateral" as used in this Note shall mean any funds, guaranties, or other property or rights therein of any nature whatsoever or the proceeds thereof which may have been, are, or hereafter may be, hypothecated, directly or indirectly by the undersigned or others, in connection with, or as security for, the Indebtedness or any part thereof. The Collateral, and each part thereof, shall secure the Indebtedness and each part thereof. The covenants and conditions set forth or referred to in any and all instruments of hypothecation constituting the Collateral of the undersigned with the same force and effect as though such covenants and conditions were fully set forth therein.

The Indebtedness shall immediately become due and payable, without notice or demand, upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the undersigned or for any of its property, upon the filing of a petition by or against the undersigned under the provisions of any State insolvency law or under the provisions of the Bankruptcy reform Act of 1978, as amended, or upon the making by the undersigned of an assignment for the benefit of its creditors. Holder is authorized to declare all or any part of the Indebtedness immediately due and payable upon the happening of any of the following events: (1) Failure to pay any part of the Indebtedness when due; (2) nonperformance by the undersigned of any agreement with, or any condition imposed by, Holder with respect to the Indebtedness; (3) Holder's discovery of the undersigned's failure in any application of the undersigned to Holder to disclose any fact deemed by Holder to be material or of the making therein or in any of the said agreements, or in any affidavit or other documents submitted in connection with said application or the indebtedness, of any misrepresentation by, on behalf of, or for the benefit of the undersigned; (4) the reorganization (other than a reorganization pursuant to any of the provisions of the Bankruptcy Reform Act of 1978, as amended) or merger or consolidation of the undersigned (or the making of any agreement therefore) without the prior written consent of Holder; (5) the undersigned's failure duly to account to Holder's satisfaction, at such time or times as Holder may require, for any of the Collateral, or proceeds thereof, coming into the control of the undersigned; or (6) the institution of any suit affecting the undersigned deemed by Holder to affect adversely its interest hereunder in the collateral or otherwise. Holder's failure to exercise its rights under this paragraph shall not constitute a waiver thereof.

In the event that the Holder decides to accept a late payment in lieu of declaring the entire indebtedness due and owing, such late payment shall first be applied to unpaid and accrued interest and the remaining portion of such late payment (if any) shall be applied to reduce the then principal balance of this note. After establishing the new principal balance (after receipt of any late payment), the holder may at its sole discretion re-calculate an amortization schedule for payment of this note and utilizing the same interest rate and the new principal balance by either extending the loan term in order to keep the same monthly payment and establish a principal balance which would remain due and owing at the end of the loan term (balloon payment) which would then be due and owing in its entirety at the end of the original loan term. Should the late payment not be sufficient to pay unpaid and accrued interest, and if accepted by the holder, all such late payments shall be applied toward the unpaid and accrued interest with the remaining unpaid accrued interest being added to the unpaid principal balance and a new amortization schedule would then be established in the sole discretion of the holder and pursuant to the options previously identifies in this paragraph.

At the sole and exclusive option of the holder of this note, there may be charged a late charge on any installment of principal and interest received more than fifteen (15) days after due date. Such late charge shall be equivalent to \$15.00 or 5% of the installment, whichever is greater, and for the late installment, the interest rate chargeable shall be 3% above the interest rate contained on the face of this promissory note.

Upon the nonpayment of the Indebtedness, or any part thereof, when due, whether by acceleration or otherwise, Holder is empowered to sell, assign, and deliver the whole or any part of the Collateral at public or private sale, without demand, advertisement or notice of the time or place of sale or of any adjournment thereof, which are hereby expressly waived. After deducting all expenses incidental to or arising from such sale or sales, Holder may apply the residue of the proceeds thereof to the payment of the Indebtedness, as it shall deem proper, returning the excess, if any, to the undersigned. The undersigned hereby waives all right of redemption or appraisalment whether before or after sale.

Holder is further empowered to collect or cause to be collected or otherwise to be converted into money all or any part of the Collateral, by suit or otherwise, and to surrender, compromise, release, renew, extend, exchange, or substitute any item of the Collateral in transactions with the undersigned or any third party, irrespective of any assignment thereof by the undersigned, and without prior notice to or consent of the undersigned or any assignee. Whenever any item of the Collateral shall not be paid when due, or otherwise shall be in default, whether or not the indebtedness or any part thereof has become due, Holder shall have the same rights and powers with respect to such item of the Collateral as are granted in respect thereof in this paragraph in case of nonpayment of the Indebtedness, or any part thereof, when due. None of the rights, remedies, privileges or powers of Holder expressly provided for herein shall be exclusive, but each of them shall cumulative with and in addition to every other right, remedy, privilege, and power now or hereafter existing in favor of Holder, whether at law or in equity, by statute or otherwise.

The undersigned agrees to take all necessary steps to administer, supervise, preserve and protect the Collateral; and, regardless of any action taken by Holder, there shall be no duty upon Holder in this respect. The undersigned shall pay all expenses of any nature, whether incurred in or out of court, and whether incurred before or after this Note shall become due at its maturity date or otherwise, including but not limited to reasonable attorney's fees and costs, which Holder may deem necessary or proper in connection with the satisfaction of the Indebtedness or the administration, supervision, preservation, protection of (including, but not limited to, the maintenance of adequate insurance) or the realization upon the Collateral. Holder is authorized to pay at any time and from time to time any or all of such expenses, add the amount of the Indebtedness, and charge interest thereon at the rate specified herein with respect to the principal amount of this Note.

All of this is asnd
this 29 day of
MAY 1998.

Garman Printing Company, Inc.



By: Don A. Wiltford
Its
Attest: James J. Cyra

SECURITY AGREEMENT

Garman Printing Company, Inc. ("Borrower") grants to the City of East Chicago, a security interest in the following described property: 1104 West Chicago Avenue, East Chicago, IN 46312 together with all such collateral now owned and hereafter acquired, including collateral acquired under future advances and including all products, proceeds, accessions, attachments and fixtures now attached to or which may hereafter at any time be placed in or added in the above described property and also any replacements of such property herein described to secure the payment of that certain indebtedness evidenced by a promissory note or notes executed by the Borrower to the City of East Chicago in the principal sum of seventy-five thousand dollars (\$75,000) of ever date herewith or any extensions or renewals thereof and all other liabilities of the Borrower in favor of the City of East Chicago, 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 attorney's fees; also to secure the payment of any and all future advances that may be made by the City of East Chicago 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 acquired with the proceeds of the loan, the City of East Chicago 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 City of East Chicago. If the Collateral is being acquired for farming use and the Borrower is not a resident of Indiana, the Collateral will be kept at the address set forth give written notice to the City of East Chicago of any change of address and, in the case of a business, any change in its principal 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 City of East Chicago 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 description of such real estate and the known owner of record 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 to the City of East Chicago with a disclaimer or disclaimers executed by persons having an interest in such real estate.
6. Borrower authorizes the City of East Chicago 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 City of East Chicago to protect its security interest in the Collateral. Borrower will deliver or cause to be delivered to the City of East Chicago any certificate or certificates of title to the Collateral with the security interest of the City of East Chicago 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 City of East Chicago.
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 City of East Chicago, which policies shall provide that any loss thereunder shall be payable to the City of East Chicago as its interest may appear and the City of East Chicago 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 City of East Chicago. Borrower will pay when due all personal property taxes levied against the Collateral pledged to the City of East Chicago.

Upon failure of the Borrower to procure such insurance, pay such taxes or to move any encumbrance upon the Collateral or if such insurance is cancelled, the indebtedness secured hereby shall become immediately due and payable at the option of the City of East Chicago without notice or demand, or the City of East Chicago may procure such insurance or remove any encumbrance on the Collateral and the

amount so paid by the City of East Chicago 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 eight percent (8%) per annum, until paid.

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 City of East Chicago 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 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 the Bank 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 judgement 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 City of East Chicago 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 City of East Chicago and without demand, be declared and thereupon immediately shall become due and payable and the City of East Chicago may exercise from time to time any rights and remedies as 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 City of East Chicago at a place acceptable to the City of East Chicago 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 City of East Chicago. Expenses of retaking, holding, repairing, preparing for sale and selling, shall include the City of East Chicago's reasonable attorneys' fees and expenses. Any proceeds of the disposition of the Collateral will be applied by the City of East Chicago 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 City of East Chicago to the payment of the indebtedness then owing the City of East Chicago.

No delay on the part of the City of East Chicago in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the City of East Chicago 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 City of East Chicago is authorized, without notice to the Borrower, to date this Agreement.

This Agreement has been delivered at the City of East Chicago 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 this Agreement.

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

IN WITNESS WHEREOF, this Agreement has been duly executed on this 29 day of May 1998.

Garman Printing Company, Inc.

By: Don A. Wilton
Its
Attest: James A. Cyra

GUARANTY

In consideration of any and all loans, advances, acceptances, discounts and extensions of credit by the City of East Chicago, with its office in East Chicago, Indiana, hereinafter called "City", to, for the account of, or on behalf of Garman Printing Company, Inc., hereinafter called the "Borrower", and as an inducement for City to make future loans, advances, acceptances, discounts and extension of credit to, for the account of or on behalf of the Borrower, the Undersigned, hereinafter called the "Guarantors", hereby jointly and severally, absolutely and unconditionally, guarantee to the City the punctual payment in full when the same shall become due, either at maturity or as a result of an event of default, the principal, interest and other sums due and to become due from the date hereof until the termination of the liability of the Guarantors hereunder as hereinafter provided, on account of any and all obligations, indebtedness and liability of the Borrower to the City, whether now existing or hereafter incurred, whether direct, indirect or contingent, whether otherwise guaranteed or secured, and whether on open account or evidenced by a note, draft, check or other instrument or document, all of which obligations, indebtedness and liability are hereinafter referred to as "indebtedness".

The Guarantors expressly waive the following: notice of any default or delinquency of the Borrower upon any obligation owed to the City; notice of the incurring of indebtedness by the Borrower; the acceptance of this Guaranty by the City; presentment and demand for payment, protest, notice of protest and notice of dishonor or nonpayment of any instrument evidencing indebtedness of the Borrower; any right, whether such right be afforded by statute or otherwise, to require suit against the Borrower or any other party before enforcing this Guaranty; any right to have security applied before enforcing this Guaranty; and any right of subrogation to the City's rights ~~against the Borrower until the Borrower's indebtedness is paid in full.~~

The Guarantors hereby consent and agree that renewals and extensions of time of payment, surrender, release, exchange, substitution, dealing with or taking of additional collateral security, taking or release of other guaranties, abstaining from taking advantage of or realizing upon any collateral security or other guaranties and any and all other forbearances or indulgences granted by the City to the Borrower or any other party may be made, granted and effected by the City without notice to the Guarantors and without in any manner affecting their liability hereunder.

In the event that a petition in bankruptcy or for an arrangement or reorganization of the Borrower under the bankruptcy laws or for the appointment of a receiver for the Borrower or any of its property is filed by or against the Borrower, or if the Borrower shall make an assignment for the benefit of creditors or shall become insolvent, all indebtedness of the Borrower shall, for the purpose of this Guaranty, be deemed at the City's election to have become immediately due and payable.

Any notice to a Guarantor by the City at any time shall not imply that such notice or any further or similar notice was or is required.

The Guarantors further agree to pay the City any and all costs, expenses and reasonable attorney's fees paid or incurred by the City in collecting or endeavoring to collect the indebtedness of the Borrower or in enforcing or endeavoring to enforce this Guaranty.

This Guaranty shall operate as a continuing guaranty and shall expire as to any Guarantor only upon written notice signed by such Guarantor or his personal representative and actually received by the City but such termination shall be effective only as to indebtedness of the Borrower incurred subsequent to the receipt of such notice by the City, and this guaranty shall remain in full force and effect as to all indebtedness of the Borrower theretofore incurred. This Guaranty shall be binding upon the Guarantors and their respective heirs, executors, administrators and assigns, jointly and severally, and shall inure to the benefit of the City and its successors and assigns. The terms "Guarantors" and "Borrower" and any pronouns referring thereto as used herein shall be constructed in the masculine, feminine, neuter, singular or plural as the context may require.

IN WITNESS WHEREOF this Guaranty has been executed and delivered to the City by the undersigned Guarantors this 29 day of May, 1998

Don A. Wiltford

"Guarantors"