

11

Mortgage

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
2002 JUN 19 PM 1:13
MORRIS T. CAVITT
RECORDER

THIS MORTGAGE (hereinafter referred to as "Instrument") is made this 21st day of June, 2002, by and between the mortgagors, William E. Loffler, III and Margaret A. Loffler, Husband and Wife whose address is 6200 W. 135th Place, Cedar Lake, Indiana 46307 ("Borrowers"), and the mortgagee, William E. Loffler, Jr. and Kathleen A. Loffler, Trustees of the Loffler Living Trust, dated June 18, 1997 whose address is 128 Knoxtowne Rd., Easley, South Carolina, 29640 ("Lender").

Borrowers are indebted to Lender in the principal sum of One Hundred Twenty Thousand and 00/100 Dollars (\$120,000.00), which indebtedness is evidenced by a Promissory Note executed by Borrowers of even date herewith.

TO SECURE TO LENDER the following: (a) the repayment of the indebtedness evidenced by the Promissory Note, with interest thereon, and all renewals, extensions, modifications, rewrites, refinances, consolidations and replacements thereof and substitutions therefor; (b) the repayment of any future advances, with interest thereon, made by Lender to Borrowers up to two (2) times the amount of the original indebtedness; (c) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; (d) the performance of the covenants and agreements of Borrowers herein contained; and (e) all other indebtedness, liabilities and obligations of Borrowers in favor of the Lender, direct or indirect, absolute or contingent, primary or secondary, matured or unmatured, whether or not related to or of the same class as any specific debt secured hereby, now existing or hereafter arising. Borrowers do hereby mortgage, warrant, grant, convey and assign to Lender, its successors and assigns, the following described real property in Lake County, Indiana:

the Lake County Recorder!

Lot 125 in Unit 3A of Robins Nest, an Addition to the Town of Cedar Lake, as per plat thereof, recorded in Plat Book 85 page 32, in the Office of the Recorder of Lake County, Indiana

together with all buildings, improvements, and tenements now or hereafter erected on said real property, and all easements, rights, right-of-ways, driveways, pavement, curb, and street front privileges, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to said real property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances, signs and goods of every nature whatsoever now located in, on, used, or intended to be used in connection with said real property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air, and light; and all elevators, and related machinery and equipment, fire prevention and sinks, ranges, stoves, refrigerators, dishwashers, disposals, awnings, storm windows, storm doors, screens, cabinets, paneling, attached floor coverings, antennas, trees and landscaping, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of said real property covered by this Instrument, whether actually physically annexed to said real property or not (all of the foregoing, together with the real property, are hereinafter referred to as the "Property").

*Autgen & Sleeper
130 N. Main St.
Crown Pt*

*307
N. J.
8941*

Borrowers covenant that Borrowers are lawfully seized of the real property hereby conveyed and have the right to mortgage, grant, convey and assign the Property, that the Property is unencumbered and that Borrowers will warrant, and defend generally, the title to the Property against all claims and demands, subject to any easements, covenants, conditions and restrictions of record listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

BORROWERS HEREBY COVENANT AND AGREE AS FOLLOWS:

1. Payment of Principal and Interest. Borrowers shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Promissory Note, any prepayment and late charges provided in the Promissory Note, and all other sums secured by this Instrument. If Borrowers fail to pay the monthly payment within ten (10) days of the due date, Borrowers will pay a late fee of Fifty and 00/100 Dollars (\$50.00) for each such late payment to defer the costs incurred by Lender in administering the late payment.

2. Borrowers' Breach: Right of Lender. Upon Borrowers' breach of any covenant or agreement of Borrowers in this Instrument, Lender may pay, in any amount and in any order as Lender shall determine in Lender's sole discretion, any rents, taxes, assessments, insurance premiums, judgment liens, tax liens, mechanic's liens, and other impositions upon the Property which are now or will hereafter become due, which shall then become immediately due and owing by Borrowers to the Lender and will be further secured by this Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender from Borrowers under the Promissory Note or this Instrument shall be applied by Lender in the following order of priority: (i) amounts payable to Lender by Borrowers due to Borrowers' breach that Lender has paid on behalf of Borrowers; (ii) interest payable under the terms of the Promissory Note; (iii) principal of the Promissory Note; (iv) interest payable on advances made by Lender in the protection of Lender's security; (v) principal of advances made by Lender in the protection of Lender's security; (vi) interest payable on any future advance, provided that if more than one (1) future advance is outstanding, Lender may apply payments received among the amounts of interest payable on the future advances in such order as Lender, in Lender's sole discretion, may determine; (vii) principal of any future advance, provided that if more than one (1) future advance is outstanding, Lender may apply payments received among the principal balances of the future advances in such order as Lender, in Lender's sole discretion, may determine; and (viii) any other sums secured by this Instrument in such order as Lender, at Lender's option, may determine; provided, however, that Lender may, at Lender's option, apply any sums payable due to advances made by Lender in the protection of Lender's security prior to interest on and principal of the Promissory Note, but such application shall not otherwise affect the order of priority of application specified in this Section.

4. Charges; Liens. Borrowers shall pay all utilities, water and sewer charges, taxes, assessments, premiums, and other impositions attributable to the Property. Borrowers shall promptly furnish to Lender, upon request, all notices of amounts due under this Section and, in the event Borrowers shall make payment directly, Borrowers shall, upon request, promptly furnish to Lender receipts evidencing such payments. Borrowers shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Borrowers shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property; provided that Borrowers shall not be required to discharge any such lien so long as Borrowers shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. Hazard Insurance. Borrowers shall keep the Property insured by carriers at all times satisfactory to Lender against loss by fire and such other hazards, casualties, liabilities and contingencies as Lender shall require, and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under the section concerning Tax and Insurance Escrows hereof, or by Borrowers making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of Lender and in form acceptable to Lender. Lender shall have the right to hold the policies and Borrowers shall promptly furnish to Lender all renewal notices and all receipts of paid premiums.

In the event of loss, Borrowers shall give immediate written notice to the insurance carrier and to Lender. If the Property is abandoned by Borrowers, or if Borrowers fail to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrowers that the insurance carrier offers to settle a claim for insurance benefits, Borrowers authorize and empower Lender as attorney-in-fact for Borrowers to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom, Lender's expenses, including attorney fees incurred in the collection of such proceeds; provided, however, that nothing contained in this Section shall require Lender to incur any expense or take any action hereunder.

Unless Lender and Borrowers otherwise agree in writing, insurance proceeds shall be applied to the sums secured by this Instrument whether or not then due, with the excess, if any, paid to Borrowers. Any such application to the sums secured by this Instrument shall not postpone the Borrowers' obligations to make the next scheduled payment of interest and principal.

If the insurance proceeds are held by Lender to reimburse Borrowers for the cost of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as the parties may mutually

approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of waivers of liens, sworn statements of mechanics and material men and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this Instrument, any such application of proceeds to principal shall not extend or postpone the due dates of the installments of principal, interest, or amounts payable to Lender by Borrowers due to Borrowers' breach that Lender has paid on behalf of Borrowers or change the amounts of such installments. If the Property is sold in accordance with the remedies herein, or if Lender acquires title to the Property, Lender shall have all of the right, title, and interest of Borrowers in and to any insurance policies and unearned premiums thereon, and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

6. Preservation and Maintenance of Property. Borrowers (a) shall not commit waste or permit impairment or deterioration of the Property; (b) shall not abandon the Property; (c) shall keep the Property in good repair; (d) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property; (e) shall give notice in writing to Lender and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security to this Instrument or the rights or powers of Lender. Without the written consent of Lender, which consent shall not be unreasonably withheld, Borrowers shall not remove, demolish or alter any improvement now existing or hereafter erected attached on and/or to the Property.

7. Use of Property. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrowers shall not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Borrowers shall not initiate or acquiesce in a change in the zoning classification of the property without Lender's prior written consent. Borrowers may use the Property for trucking business purposes and may apply for zoning approval for such use.

8. Protection of Lender's Security. If Borrowers fail to perform the covenants and agreements contained in this Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to, the disbursement of attorney's fees, the entry upon the Property to make repairs, and the procurement of satisfactory insurance as required herein.

Any amounts disbursed by Lender pursuant to this Section, with interest thereon, shall become additional indebtedness of Borrowers secured by this Instrument. Unless Borrowers and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the default rate stated in the Promissory Note unless collection from Borrowers of interest at such rate would be contrary to applicable law, in which event such amounts

shall bear interest at the highest rate which may be collected from Borrowers under applicable law. Borrowers hereby covenant and agree that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this Section shall require Lender to incur any expense or take any action hereunder .

9. Agreements and Consents by Lender. All agreements by Lender which may be made pursuant to this Instrument and any consents which may be given by Lender pursuant to this Instrument will not be binding against the Lender or be used to estop Lender from any action unless such agreement or consent is in writing and signed by the Lender.

10. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

11. Condemnation. Borrowers shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrowers shall appear and prosecute any such action or proceeding unless otherwise directed by Lender in writing. In the event of a total taking of the Property, Borrowers authorize Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in Section 3 above, with the balance, if any, to Borrowers. In the event of a partial taking of the Property, unless Borrowers and Lender otherwise agree in writing, there shall be applied to the sums secured by this Instrument such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Instrument immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of proceeds paid to Borrowers. Unless Borrowers and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of any monthly installments of principal, interest, or amounts payable to Lender by Borrowers due to Borrowers' breach that Lender has paid on behalf of Borrowers, or change the amount of such installments. Borrowers agree to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

12. Borrowers and Lien Not Released. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrowers, Borrowers' successors or assigns, or of any junior lien holder or guarantors, without liability on Lender's part and notwithstanding Borrowers' breach of any covenant or agreement of Borrowers in this Instrument, extend the time for payment of the indebtedness secured by this Instrument or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, release from the lien of this Instrument any part of the Property, take or release other or additional security, and agree in writing with Borrowers to modify the rate of interest or period of amortization of the Promissory Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant

to the terms of this Section shall not affect the obligation of Borrowers or Borrowers' successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Borrowers contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured by this Instrument, and shall not affect the lien or priority of lien hereof on the Property. Borrowers shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, and other expenses which may be incurred by Lender, for any such action if taken at Borrowers' request.

13. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy. The acceptance by Lender of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Lender's receipt of any awards, proceeds or damages under the provisions of this Instrument operate to cure or waive Borrowers' default in payment of sums secured by this Instrument.

14. Estoppel Certificate. Borrowers shall within ten (10) days of a written request from Lender, furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim, or other defense which exists against such sums and the obligations of this Instrument.

15. Remedies Cumulative. Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

16. Acceleration and Insolvency. If Borrowers shall voluntarily file a petition under the U.S. Bankruptcy Code, as such Code may from time to time be amended or replaced, or under any similar or successor Federal statute relating to bankruptcy, insolvency, insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrowers shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrowers, or if Borrowers shall be adjudged bankrupt, or if a trustee or receiver shall be appointed for Borrowers or Borrowers' property, or if the Property shall become subject to the jurisdiction of a U.S. Bankruptcy Court or similar state court, or if Borrowers shall make an assignment for the benefit of Borrowers' creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrowers' assets and such seizure is not discharged within ten (10) days, then Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately

due and payable upon thirty (30) days prior notice to Borrowers, and Lender may invoke any remedies permitted by the provisions of this Instrument. Attorney fees and other expenses incurred by Lender in connection with Borrowers' bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrowers secured by this Instrument.

17. Transfers and Assumption. On sale or transfer of all or any part of the Property or any interest therein, Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable, and Lender may invoke any remedies permitted by the provisions of this Instrument. This Section shall not apply if such transfer of such interest is by devise or descent or operation of law upon the death of Borrower or Borrowers.

18. Notices. Except for any notice required under applicable law to be given in another manner, any notice to Borrowers provided for in this Instrument or in the Promissory Note shall be given by mailing such notice by certified mail, return receipt requested, addressed to Borrowers at Borrowers' address stated above or at such other address as Borrowers may designate by notice to Lender as provided herein. Any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrowers as provided herein. Any notice provided for in this Instrument or in the Promissory Note shall be deemed to have been given to Borrowers or Lender when given in the manner designated herein.

19. Successors and Assigns; Joint and Several Liability; Agents; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective heirs, personal representatives, successors and assigns of Lender and Borrowers, subject to the provisions of Section 17 of this Instrument. All covenants and agreements of Borrowers shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the Sections of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

20. Governing Law; Severability. This Instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this Instrument or the Promissory Note conflicts with applicable law, such conflict shall not affect the validity of any other provision of this Instrument or the Promissory Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrowers is interpreted so that any charge provided for in this Instrument or in the Promissory Note, whether considered separately or together

with other charges levied in connection with this Instrument and the Promissory Note, violates such law, and Borrowers are entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Promissory Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrowers has been violated, all indebtedness which is secured by this Instrument or evidenced by the Promissory Note and which constitutes interest, as well as other charges levied in connection with such indebtedness which constitutes interest, shall be deemed to be allocated and spread over the stated term of the Promissory Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Promissory Note.

21. Acceleration; Remedies; Non-Recourse Mortgage. Upon Borrowers' breach of any covenant, warranty, condition or agreement of Borrowers in this Instrument, in the Promissory Note evidencing the indebtedness secured by this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, or in any other agreement or instrument executed by Borrowers in connection herewith, Lender, at Lender's option, may declare all of the sums secured by this Instrument to be immediately due and payable upon thirty (30) days written notice to Borrowers and may foreclose this Instrument by judicial proceedings, and may invoke any other remedies permitted by applicable law or provided herein. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, reasonable attorney fees, Notwithstanding the foregoing, it is expressly acknowledged by the Parties hereto that this is non-recourse Instrument. Lender may look solely to the Property for recovery if Borrowers default, except that Borrowers will remain liable and will pay all damages and costs, including reasonable attorney fees, due to default under the Promissory Note or this Mortgage in excess of the indebtedness remaining to be paid on the original principal loan amount. If Borrowers default, in consideration of the non-recourse provisions in this Instrument, Lender shall retain all monies paid by Borrowers as liquidated damages. The amounts retained by Lender will not be applied to the damages and costs, including reasonable attorney fees, for which Borrowers are liable in excess of the indebtedness remaining to be paid on the original principal loan amount. If Borrowers default, Borrowers will execute a deed-in-lieu of foreclosure and other documents necessary to grant Lender title to the Property, at Lender's option and in a form and substance acceptable to Lender.

22. Release. Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrowers shall pay Lender's reasonable costs incurred in releasing this Instrument.

23. Other Encumbrances. Borrowers will not further mortgage or encumber the Property in any way without the express written consent of the Lender.

24. Waiver of Valuation and Appraisalment. Borrowers hereby waive all right of valuation and appraisalment.

25. Future Advances. Upon request of Borrowers, Lender, at Lender's option so long as this Instrument secures indebtedness held by Lender, may make future advances to Borrowers to a maximum total principal amount for the original principal amount of the indebtedness and the future advances not to exceed two (2) times the amount of the original principal indebtedness. Such future advances, with interest thereon, shall be secured by this Instrument.

26. Hazardous Substances. Borrowers represent and warrant that they will not use, generate, treat, store, dispose of or otherwise introduce any hazardous substance, without limitation, into or on the Property. Borrowers covenant and agree to indemnify, defend and save harmless Lender from all liability, claims, obligations, losses, damages, actions, cases of action, costs and expenses including, without limitation, reasonable attorney fees, which may arise or occur because of Borrowers' breach of the aforesaid representations and warranties. [Hazardous substances shall be defined as those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde and radioactive materials. As used in this paragraph 26, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

27. Tax and Insurance Escrow. In order to more fully protect the security of this Instrument:

(a) If requested by the Lender, the Borrowers will, at the time of the execution of this Instrument, deposit with the Lender an amount which, together with the payments specified in Subsection (b) of this Section, will aggregate a sum sufficient to enable the Lender to pay the real estate taxes and assessments that the Lender estimates will be levied against the Property during the ensuing tax year one (1) month before such taxes and assessments become delinquent, plus an amount which, together with the payments designated in Subsection (b) of this Section, will aggregate a sum sufficient to enable the Lender to pay the premiums on the fire and other hazard insurance required to be placed on the Property one (1) month before the next premium becomes due.

(b) In addition to the monthly payments required to be made upon the indebtedness secured by the Instrument, the Lender may require the Borrowers to

provide the Lender with a sum equal to one-twelfth (1/12th) of the amount of the annual real estate taxes and assessments from time to time estimated by the Lender to be assessed against the Property plus an amount equal to one-twelfth (1/12th) of the annual premiums from time to time required to maintain the fire and hazard insurance required to be placed on the Property. If the Lender chooses to exercise the option contained within this Section, said amounts shall be paid by the Borrowers one (1) month before the next premium becomes due.

(c) All sums received by the Lender pursuant to this Section shall be held by the Lender for the account of the Borrowers and applied to the payment of said taxes, assessments and insurance premiums.

(d) If the total payments made by the Borrowers to the Lender pursuant to this Section shall exceed the amount at any time required for such purposes, such excess shall be retained by the Lender to make subsequent payments for such purposes. If however, the total of such payments shall at any time be insufficient to pay such taxes, assessments and insurance premiums when due, the Borrowers shall, one (1) month prior to the due date thereof, pay to the Lender such additional amounts as may be necessary to make up such deficiency. All sums received by the Lender under this Section, and held by it at the time when the Borrowers shall desire to pay the indebtedness secured by this Instrument in full, may be applied by the Lender upon said indebtedness. In the event the Lender shall determine to foreclose this Instrument, it shall, in such event, apply all sums held by it for the payment of taxes, assessments and insurance premiums on the indebtedness secured by this Instrument as Lender may, in its sole discretion, determine.

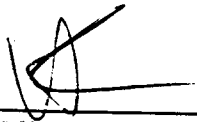
28. Events of Default. The breach by Borrowers of any warranty, covenant, obligation, or agreement herein or in the Promissory Note will constitute an event of default.

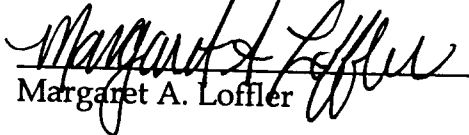
29. Representation and Review. Borrowers acknowledges that Borrowers have had the opportunity to be represented by legal counsel and that before executing and delivering the Promissory Note, this Instrument and all other agreements, instruments and loan documents, such documents, and the rights of Borrowers were fully explained to Borrowers by such counsel, if any, and that Borrowers understand the nature and extent of the obligations hereunder and thereby undertaken.

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IN WITNESS WHEREOF, Borrowers have executed this Instrument on the date first written above.

Borrowers:

By: 
William E. Loffler, III

By: 
Margaret A. Loffler

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

I, Janice M. Moskalick, a Notary Public in and for said County and State, do hereby certify that William E. Loffler, III and Margaret A. Loffler, Husband and Wife, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21st day of June, 2002.

My Commission expires:
7-6-09

County of Residence:
Lake

