

STATE OF INDIANA  
LAKE COUNTY  
**SECURITY AGREEMENT** FILED FOR RECORD

\$105,000.00    2005 047589    2005 JUN -9    Date: April 15<sup>th</sup>, 2005

FOR VALUE RECEIVED, the undersigned, **OSAMA ABDULLAH** ("Debtors") promises to pay to the order of **SALAH BASHIR** ("Creditor and "Secured Party") at his place of residence or at such other place or places as Creditor may from time to time designate in writing, the principal sum of **ONE HUNDRED AND FIVE THOUSAND DOLLARS (\$105,000.00)**, the receipt whereof is hereby acknowledged, does hereby assign, transfer and pledge to the Secured Party and does hereby grant the Secured Party a security interest in the Debtors' residential property located at 1240 Camellia Dr. Unit 4 in Munster Indiana 46321. (hereinafter referred to as the "Secured Collateral") and will paid as follows:

- a) Five Thousand Dollars (\$5,000) per month for fifteen (15) months.
- b) An additional three thousand dollars (\$3,000) due and payable on the third, sixth, ninth, and twelfth months.
- c) Eighteen thousand dollars (\$18,000) in one lump sum due on September 15<sup>th</sup>, 2006.
- d) A late fee of \$100 per month shall apply for any unpaid payments made after the 20<sup>th</sup> of the month.
- e) First payment shall be made on May 15<sup>th</sup>, 2005.

**DEFINITIONS:**

Word used in multiple sections of this document are defined below and other words are defined in Sections 1, 2, 3, 4 and 5.

- (A) "Security Instrument" means this document, which is dated April 15<sup>th</sup>, 2005, together with all Riders to this document.
- (B) "Debtor" is OSAMA ABDULLA

Debtor is the mortgagor under this Security Instrument.

- (C) "Secured Party and/or Creditor" is SALAH BASHIR.

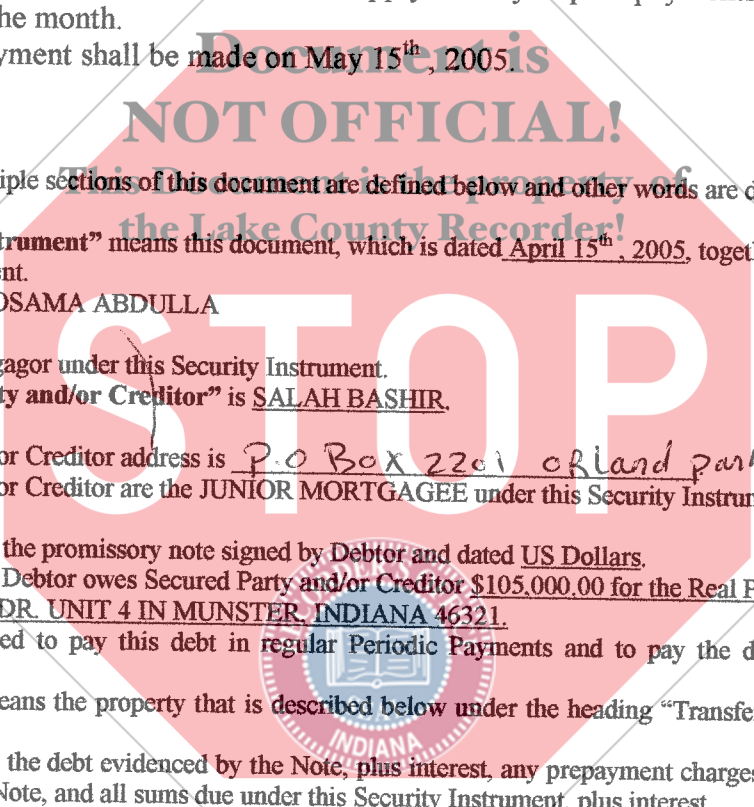
Secured Party and/or Creditor address is P.O Box 2201 Orlando park IL 60462  
Secured Party and/or Creditor are the JUNIOR MORTGAGEE under this Security Instrument.

- (D) "Note" means the promissory note signed by Debtor and dated US Dollars. The Note state that Debtor owes Secured Party and/or Creditor \$105,000.00 for the Real Property located at 1240 CAMELLIA DR. UNIT 4 IN MUNSTER, INDIANA 46321.

Debtor has promised to pay this debt in regular Periodic Payments and to pay the debt AS SHOWN ABOVE.

- (E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
- (F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

This Agreement is made as, and the collateral shall at all times constitute, part collateral for the payment in full of all principal of the Promissory Note in the principal amount of ONE HUNDERED AND FIVE THOUSAND DOLLARS \$105,000.00 dated the date hereof and made payable by check jointly and severalty to the Secure Party (said



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Note being hereinafter referred to as "Note") and performance thereunder guaranteed by and as collateral, for the payment of all expenses and charges, legal or otherwise, paid or incurred indebtedness hereby secured.

Any check, drafted or similar item of payment by or for the account of Borrower delivered to Lender on account of Debtor's obligations shall, provided the same is honored and final settlement thereof is irrevocably made in the ordinary course, be applied by Lender on account of Debtor's obligations three (3) business days after the date Lender actually receives the same.

**1) TRANSFER OF RIGHTS IN THE PROPERTY:**

This Security Instrument secures to Secured Party and/or Creditor: (1) the repayment of the Loan, and all renewals, extensions and modifications of the Note; (2) THE PERFORMANCE OF THE Debtor's covenants and agreements under this Security Instrument and the Note; and (3) the performance of all agreements of the Debtor to pay fees and charges arising out of the Loan whether or not herein set forth. For this purpose, Debtor does hereby mortgage, grant and convey to Secured Party and/or Creditor and Secured Party's and/or Creditor's successors and assigns, with power of sale, the following described property located in LAKE COUNTY INDIANA.

**LEGAL DESCRIPTION:**

Apartment no. 4 in Calellia Condominiums, according to declaration of Horizontal Property Regime, dated August 28<sup>th</sup>, 1978 recorded September 29, 1978 as Document No. 493334 and in Plat Book 49 page 44, in the office of the Recorder of Lake County, Indiana. Together with an undivided 1/16<sup>th</sup> interest in the common areas and facilities appertaining thereto.

Property Index or Key Number: 18-28-0406-0007

which currently has the address of **1240 CAMELLIA DR. UNIT 4 IN MUNSTER, INDIANA** ("Property Address"): All real property, fixture, equipment, inventory and supplies presently owned and hereafter acquired by the Debtor(s). All present and future accounts receivable, contract rights, purchase orders, documents of title, instruments, chattel paper, good will and general INTANGIBLES. Creditor shall also have an Assignment of leasehold interest of Debtors property. The Security interest in the above collateral secures the full payment of this debt with all penalties, charges and amounts outstanding that remain due to Creditor(s).

**TOGETHER WITH** all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instruments. All the foregoing is referred to in this Security Instrument as the "Property."

## **2) PROPERTY INSURANCE:**

Debtor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Secured Party and/or Creditor requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Secured Party and/or Creditor requires.

If Debtor fails to maintain any of the coverage described above, Secured Party and/or Creditor is under no obligation to purchase any particular type or amount of coverage. Secured Party and/or Creditor may purchase such insurance from or through any company acceptable to Secured Party and/or Creditor. Therefore, such coverage shall cover Secured Party and/or Creditor, but might or might not protect Debtor, Debtor's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Debtor acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Debtor could have obtained. Any amounts disbursed by Secured Party and/or Creditor under this Section shall become additional debt of Debtor secured by this Security Instrument.

These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Secured Party and/or Creditor to Debtor requesting payment.

All insurance policies required by Secured Party and/or Creditor and renewals of such policies shall be subject to Secured Party's and/or Creditor's right to disapprove such policies, shall include a standard mortgage clause, and shall name Secured Party and/or Creditor as mortgagee and/or as an additional loss payee. Secured Party and/or Creditor shall have the right to hold the policies and renewal certificates. If Secured Party and/or Creditor requires, Debtor shall promptly give to Secured Party and/or Creditor all receipts of paid premiums and renewal notices. If Debtor obtains any form of insurance coverage, not otherwise required by Secured Party and/or Creditor, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Secured Party and/or Creditor as mortgagee and/or as an additional loss payee.

Debtor hereby absolutely and irrevocably assigns to Secured Party and/or Creditor all of Debtor's right, title and interest in and all proceeds from any insurance policy (whether or not the insurance policy was required by Secured Party and/or Creditor) that are due, paid or payable with respect to any damage to such property, regardless of whether the insurance policy is established before, on or after the date of the Security Instrument. By absolutely and irrevocably assigning to Secured Party and/or Creditor all of Debtor's rights receive any and all proceeds from any and all proceeds from any insurance policy, Debtor hereby waives, to the full extent allowed by law, all of Debtor's rights to receive any and all such insurance proceeds.

Debtor hereby absolutely and irrevocably assigns to Secured Party and/or Creditor all of the Debtor's right, title and interest in and to (a) any and all claims, present and future, known or unknown, absolute or contingent, (b) any and all causes of action, (c) any and all judgments and settlement (whether through litigation, mediation, arbitration or otherwise), (d) any and all funds sought against or from any party or parties whatsoever, and (e) any and funds received or receivable in connection with any damage to such property, resulting from any cause or causes whatsoever, including but not limited to, land subsidence, landslide, windstorm, earthquake, fire, flood or any other cause.

Debtor agrees to execute, acknowledge if requested, and deliver to Lender, and/or upon notice from Secured Party and/or Creditor shall request any insurance agency or company that has issued any insurance policy to execute and deliver to Lender, any additional instruments or documents requested by Lender from time to time to evidence Debtor's absolute and irrevocable assignments set forth in this paragraph.

In the event of loss, Debtor shall give prompt shall give notice to the insurance carrier and Secured Party and/or Creditor. Secured Party and/or Creditor may make proof of loss if not made promptly by Debtor. Unless Secured Party and/or Creditor and Debtor otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Secured Party and/or Creditor, shall be applied to restoration or repair of the Property, if the restoration or repair of the Property, if the repair and restoration is economically feasible and Secured Party and/or Creditor security is not lessened. During such repair and restoration period, Secured Party and/or Creditor shall have the right to hold such insurance proceeds until Secured Party and/or Creditor has had an opportunity to inspect such Property to ensure the work has been completed to Secured Party and/or Creditor satisfaction, provided that such inspection shall be undertaken promptly. Secured Party and/or Creditor may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Secured Party and/or Creditor shall not be required to pay Debtor any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Debtor shall not be paid out of the insurance proceeds and shall be the sole obligation of the Debtor. If the restoration or repair is not economically feasible or Secured Party's and/or Creditor's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Debtor.

### **3) PRESERVATION, MAINTENANCE AND PROTECTION OF THE PROPERTY; INSPECTIONS.**

Debtor shall not destroyed, damage or impair the Property, or remove or demolish any building any building thereon, allows the Property to deteriorate or commit waste on the Property. Whether or not Debtor is residing in the Property, Debtor shall maintain the Property in good condition and repair in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined repair or restoration is not economically feasible, Debtor shall promptly repair the Property in good and

workmanlike manner if damaged to avoid further deterioration or damage. Secured Party and/or Creditor shall, unless otherwise agreed in writing between Secured Party and/or Creditor and Debtor, have the right to hold insurance or condemnation proceeds. If insurance proceeds are paid in connection with damage to, the taking of the Property, Debtor shall be responsible for repairing or restoring the Property only if Secured Party and/or Creditor have released proceeds for such purposes. Secured Party and/or Creditor may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Debtor is not relieved of Debtor's obligation for the completion of such repair or restoration.

Secured Party and/or Creditor or its agent may make reasonable entries upon and inspection of the Property. If it has reasonable cause, Secured Party and/or Creditor may inspect the interior of the improvements on the Property. Secured Party and/or Creditor shall give Debtor notice at the time of or prior to such an interior inspection specifying such reasonable cause. Secured Party and/or Creditor does not make any warranty or representation regarding, and assumes no responsibility for, the work done on the Property, and Debtor shall not have any right to reply in any way on any inspection(s) by or for Secured Party and/or Creditor or its agent. Debtor shall be solely responsible for determining that the work is done in a good, thorough, efficient and workmanlike manner in accordance with all applicable laws.

Debtor shall (a) appear in and defend any action or proceeding purporting to affect the security hereof, the Property or the rights or powers of Secured Party and/or Creditor; (b) at Secured Party and/or Creditor's option, assign to Secured Party and/or Creditor, to the extent of Secured Party and/or Creditor's interest, any claims, demands, or causes of action of any kind, and any award, court judgment, or proceeds of settlement of any such claim, demand or cause of action of any kind which Debtor now has or may hereafter acquire arising out of or relating to any interest in the acquisition or ownership of the Property. Secured Party and/or Creditor shall not have any duty to prosecute any such claim, demand or cause of action. Without limiting the foregoing, any such claim, demand or cause of action arising out of or relating to any interest in the acquisition or ownership of the Property may include (i) any such injury or damage to the Property including without limit injury or damage to any structure or improvement situated thereon, (ii) or any claim or cause of action in favor of Debtor which arises out of the transaction financed in whole or in part by the making of the loan secured hereby, (iii) any claim or cause of action in favor of Debtor (except for bodily injury) which arises as a result of any negligent or improper construction, installation or repair of the Property including without limit, any surface or subsurface thereof, or of any building or structure thereon or (iv) any proceeds of insurance, whether or not required by Secured Party and/or Creditor payable as a result may apply, use or release such monies so received by it in the same manner as provided in Paragraph 5 for the proceeds of insurance.

#### **4) ASSIGNMENT OF MISCELLANEOUS PROCEEDS; FORFEITURE.**

All Miscellaneous Proceeds are hereby assigned to and shall be paid to Secured Party and/or Creditor. IF DEBTOR FAILS TO SATISFY THE TERMS OF THIS

AGREEMENT OR PROMISSORY NOTE, DEBTOR SHALL BE IN DEFAULT AND WILL FORFEIT ALL PREVIOUS PAYMENTS MADE TO SECURED PARTY AS LIQUATED DAMAGES TO SECURED PARTY.

**DEBTOR ADVISES THAT THERE IS PRESENTLY A FIRST MORTGAGE LIEN ON THIS SUBJECT REAL ESTATE. FOR SUCH TIME THIS SECURITY AGREEMENT SHALL BE SUBORDINATE TO DEBTOR'S NOW EXISTING FIRST MORTGAGE LIEN. THE TERMS OF THIS AGREEMENT THAT ARE INCONSISTENT WITH ANY TERMS IN THE FIRST MORTGAGE LIEN SHALL NOT BE GIVEN EFFECT.**

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Secured Party's and/or Creditor's security is not lessened. During such repair and restoration period, Secured Party and/or Creditor shall have the right to hold such Miscellaneous Proceeds until Secured Party and/or Creditor has had an opportunity to inspect such Property to ensure the work has been completed to Secured Party's and/or Creditor's satisfaction, provided that such inspection shall be undertaken promptly. Secured Party and/or Creditor may pay for the repairs and restoration in single disbursement or in a series of progress payments as the work is completed. Unless any agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Secured Party and/or Creditor shall not be required to pay Debtor any interest to be paid on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Secured Party and/or Creditor Security Instrument, whether or not then due, with the excess, if any, paid to Debtor. Such Miscellaneous Proceeds shall be applied in the order provided for the Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Debtor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Debtor and Secured Party and/or Creditor otherwise agree in writing, the sums secured by this Security Instruments shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sum secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Debtor.

In the event of the partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Debtor and Secured Party

and/or Creditor otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sum are then due.

If the Property is abandoned by Debtor, or if, after notice by Secured Party and/or Creditor to Debtor that the Opposing Party (as defined in the next sentence) offers to make any award to settle a claim for damages, Debtor fails to respond to Secured Party and/or Creditor within 30 days after the date the notice is given, Secured Party and/or Creditor is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or the sums secured by this Security Instrument whether or not the sum are then due. "Opposing Party" means the third party that owes Debtor Miscellaneous Proceeds or the party against whom Debtor has a right of action in regard to Miscellaneous Proceeds.

Debtor shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Secured Party and/or Creditor judgment, could result in forfeiture of the Property or other material impairment of Secured Party's and/or Creditor's interest in the Property or rights under this Security Instrument. Debtor can cure such default and, if acceleration has occurred, by causing the action or proceeding to be dismissed with a ruling that, in Secured Party and/or Creditor judgment, precludes forfeiture of the Property or other material impairment of Secured Party's and/or Creditor's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Secured Party's and Creditor's interest in the Property are hereby assigned and shall be paid to Secured Party and/or Creditor.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**5) TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER.**

As used in this Section 5, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of the title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Debtor is not a natural person and a beneficial interest in Debtor is sold or transferred) without Secured Party's and/or Creditor's prior written consent, Secured Party and/or Creditor may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Secured Party and/or Creditor if such exercise is prohibited by Applicable Law.

If Secured Party and/or Creditor exercise this option, Secured Party and/or Creditor shall give Debtor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice which Debtor must pay all sums secured by Security Instrument. Of Debtor fails to pay theses sums prior to the expiration of this

period, Secured Party and/or Creditor may invoke any remedies permitted by this Security Instrument without further notice or demand on Debtor.

All the above parties hereby agree that all payments shall be made on the fifteenth day of the month as above specified. Payments shall be late if paid on or after the 20<sup>th</sup> day of the month. Payments received on or after the 20<sup>th</sup> day of the month shall be assessed a late charge of \$100.00 for each and every day payment is late.

The occurrence of any on of the following events respecting any signatory of this Note shall constitute a default by Debtor ("Event of Default") under this Note; (a) if Debtor defaults by failing to pay when due any single installment or payment required to be made to Creditor under terms of this Note and such default is not cured within 30 days of written notice to the Creditor; (b) if Debtor fails to perform, discharge, comply with and/or observe any term, condition, warranty, representation, agreement, undertaking, covenant and provision to instruments and documents of whatsoever kind heretofore, now and/or from time to time hereafter executed by and/or behalf of Debtor and delivered to Creditor in connection with loan represented by this Note (collectively, the "other Agreement"); (c) if any statement, report or certificate made or delivered by Debtor to Creditor is not true and correct in any material respect; (d) if a petition under any bankruptcy or insolvency law or regulation, federal or state, shall be filed by Debtor for dissolution of liquidation;

Upon an Event of Default hereunder, without notice by Creditor to or demand by lender of borrower, all the Debtor's liabilities becomes due and payable will not establish a custom, or waive any rights of Creditor to enforce prompt payment hereof.

If at any time or times after the date of this Note Creditor: (a) employs counsel for advice or other representation (I) with respect to a default of this Note, any collateral securing Debtor's obligations hereunder or administration of same. (ii) to represent Creditor in any litigation, consent, dispute, suit or proceeding (whether instituted by Creditor, Debtor or any other person or entity) in any Debtor's obligations hereunder, or Debtor's affairs, or (iii) to enforce any rights or Creditor against Debtor; (b) takes any action to protect, collect, sell, liquidate or otherwise dispose of any collateral securing Debtor's obligation hereunder; and/or (c) attempts to or enforces any of Creditor's rights or remedies under this Note, the reasonable costs and expenses incurred by Creditor in any manner or way with respect to the foregoing shall be part of Debtor's obligation hereunder, payable by Debtor to Creditor on demand.

If any provision of this Note or the application thereof to any party or circumstance is held invalid or enforceable, the remainder of this Note and application of such provision to other parties or circumstances will not be affected thereby and the provisions of this Note shall be severable in any such instance

This Note is submitted by Debtor to Creditor at Creditor's principal place of business and shall be deemed to have been made thereat. This Note shall be governed and controlled by the laws of the State of Indiana as to interpretation, enforcement, validity,



construction, and effect, choice of law and in all other respects. This note shall be recorded with the Recorder of Deeds.

If any paragraph, clause or provision of this Note shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such paragraph, clause or provision shall not affect the validity and enforceability of any of the remaining paragraphs, clauses, or provision of this Note.

**SIGNATURES APPEAR ON THE NEXT PAGE**



IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Note as of the day and year first above written.

OSAMA ABDULLA  
SS# 309-04-9929  
(Debtor)

SALAH BASHIR  
(Creditor)

State of Indiana )  
                          ) SS.  
County of Lake    )

Subscribed and Sworn to before me this 15<sup>th</sup> day of April, 2005

Mark Elmer  
Notary Public



LEGAL DESCRIPTION OF SECURED PROPERTY:

Apartment no. 4 in Calellia Condominiums, according to declaration of Horizontal Property Regime, dated August 28<sup>th</sup>, 1978 recorded September 29, 1978 as Document No. 493334 and in Plat Book 49 page 44, in the office of the Recorder of Lake County, Indiana. Together with an undivided 1/16<sup>th</sup> interest in the common areas and facilities appertaining thereto.

Property Index or Key Number:18-28-0406-0007

which currently has the address of 1240 CAMELLIA DR. UNIT 4 IN MUNSTER, INDIANA ("Property Address"):

