PEOPLES BANK SB 9204 COLUMBIA AVENUE MUNSTER IN 46321

2007 032361

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MULTIFAMILY MORTGAGE,

ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE (herein "Instrument") is made this

12th

day of April, 2007

, between the Mortgagor/Grantor,

P & D ENTERPRISES LLC

whose address is 10302 APPLEWOOD CT, MUNSTER IN 46321

(herein "Borrower"), and the Mortgagee, PEOPLES BANK SB

ument 1 corporation organized and existing under

whose address is 9204 COLUMBIA AVENUE,

the laws of MUNSTER IN 46321 State of Indiana

(herein "Lender"). principal sum of WHEREAS, Borrower is indebted to Lender in

Five Hundred Thousand And No Cents

Dollars, which indebtedness is evidenced by Borrower's note dated April 12, 2007 (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on April 12, 2027

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof; (b) the repayment of any future advances, with interest thereon, made by Lender to Borrower pursuant to paragraph 30 hereof (herein "Future Advances"); (c) the performance of the covenants and agreements of Borrower contained in a Construction Loan Agreement between Lender and Borrower dated

, if any, as provided in paragraph 25 hereof; (d) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (e) the performance of the covenants and

in and to*] the following described property located in

LAKE

, State of Indiana:

* Delete bracketed material if not completed.

SEE ATTACHED ADDENDUM "A"

msuring Lender's interest in the Property.

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property (and, if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy

; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Instrument; and all of the foregoing, together with said property (or the leasehold estate in the event this Instrument is on a leasehold) are herein referred to as the "Property".

TOGETHER with all buildings, improvements, and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water tights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, all plants, and all plants, awainings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, panelling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, and panelling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, and



Uniform Covenants. Borrower and Lender covenant and agree as follows:

- PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced
- 1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument.

 2. FUNDS FOR TAXES, INSURANCE, AND OTHER CHARGES. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly grounds rents, if any, (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, (d) the yearly premium installments for mortgage insurance, if any, and (c) if this Instrument is on a leasehold, the yearly fixed rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option

The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said rates, rents, taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Lender pays Borrower interest, earnings or profits on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Instrument that interest on the Funds shall be paid to Borrower and unless such agreement is made or applicable law requires interest earnings or profits to Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid. Lender shall not be required to pay Borrower any interest, earnings or profits on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was

made. The Funds are pledged as additional security for the sums secured by this Instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, such excess shall be credited to Borrower on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than credited to Borrower on the next monthly installment or installments of such as the same of the funds held by Lender shall be less than credited to Borrower on the next monthly installment or installments of such as the same of the funds held by Lender shall be less than credited to Borrower on the next monthly installment or installments of such as the same of the sa the amount deemed necessary by Lender to pay water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay rates, rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Lender shall promptly refund to Borrower any Funds held by Lender

- 3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Borrower under the Note or this Instrument shall be applied by Lender in the following order of priority; (i) amounts payable to Lender by Borrower under paragraph 2 hereof; (ii) interest payable on the Note; (iii) principal of the Note; (iv) interest payable on advances made pursuant to paragraph 8 hereof; (v) principal of advances made pursuant to paragraph 8 hereof; (vi) interest payable on any Future Advance, provided that if more than one 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 Advances in such order han one 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 pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.
- payable pursuant to paragraph 8 hereof prior to interest on and principal of the folder, our start application specified in this paragraph 3.

 4. CHARGES; LIENS. Borrower shall pay all water and sewer rates, rents, taxes, assessments, premiums, and Other Impositions attributable to the Property at Lender's option in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph 4, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Without Lender's prior written permission, Borrower shall not allow any lien inferior to this Instrument to be perfected against the Property.
- 5. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all time satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender (and, if this Instrument is on a leasehold, the ground lease) shall require and in such amounts and for such periods as Lender shall require and in such amounts and for such periods as Lender shall be required by the period of the period require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof, or by Borrower 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 and in form acceptable to Lender. Lender shall have the right to hold the policies, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender. If this Instrument is on a leasehold, Borrower shall furnish Lender a duplicate of all policies, renewal notices, renewal policies and receipts of paid premiums if, by virtue of the ground lease, the originals thereof may not be supplied by Borrower to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, 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 incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Borrower for the cost of reconstruction or repair of the Property or (b) to apply the balance of such proceeds to the payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof (subject, however, to the rights of the lessor under the ground lease if this Instrument is on a leasehold).

If the insurance proceeds are held by Lender to reimburse Borrower 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 Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen 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 monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the Property is sold pursuant to paragraph 27 hereof or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower 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; LEASEHOLDS. Borrower (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for professional management of the Property by a residential rental property manager satisfactory to Lender pursuant to a contract approved by Lender in writing, unless such requirement shall be waived by Lender in writing, (g) shall generally operate and maintain the Property in a manner to ensure maximum rentals, and (h) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind

If this Instrument is on a leasehold, Borrower (i) shall comply with the provisions of the ground lease, (ii) shall give immediate written notice to Lender of any default by lessor under the ground lease or of any notice received by Borrower from such lessor of any default under the ground lease by Borrower, (iii) shall exercise any option to renew or extend the ground lease and give written confirmation thereof to Lender within thirty days after such option becomes exercisable, (iv) shall give immediate written notice to Lender of the commencement of any remedial proceedings under the ground lease by any party thereto and, if required by Lender, shall permit Lender as Borrower's attorney-in-fact to control and act for Borrower in any such remedial proceedings and (v) shall within thirty days after request by Lender obtain from the lessor under the ground lease and deliver to Lender the lessor's estoppel certificate required thereunder, if any. Borrower hereby expressly transfers and assigns to Lender the benefit of all covenants contained in the ground lease, whether or not such covenants run with the land, but Lender shall have no liability with respect to such covenants nor any other covenants contained in the ground lease.

HEM 39181L4 (9904)

be payable without set-off or deduction. IG. LEASES OF THE PROPERTY. As used in the paragraph 16, the word "lease" shall mean "sublease" if this Instrument is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of substances of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property shall specifically provide that such leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property shall specifically provide that such leases are subordinate to this Instrument; that the entent as Lender may from time to the Property shall specifically provide that such leases to execute such that Lender entered into will be in form and specifically provide that such leases to execute such infart that the attornment of the tenant agrees to execute such further entered in the property providing for a term of three years or more, permit an asylences of authorn and the approval of the entered that the tenant agrees to execute such terminate, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordinate of thing which may give eight of set-off against rent, (ii) notify Lender thereof and of the amount of said set-offs, and (iii) within ten days after such accordal of any right to a set-off or this largement and of the amount of said set-offs, and (iii) within the days after such accordal of any right of set-off or this largement and of the amo acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to

costs and expenses of any record searches for linancing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower social and arguments of any record searches for linancing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including the covenants to have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, additions thereto. Upon Borrower's breach of any covenant or agreements as to such items. In exercising any of said remedies, Lender may proceed against may also invoke the remedies provided in paragraph 27 of this Instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 27 of this instrument. Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements. I ander now expenses of any record searches for financing statements. Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest must be Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Department of this Lender may file this Instrument. the obligations of this Instrument IS. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is intended to be a security agreement pursuant to the Uniform

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 14. ESTOPPEL CERTIFICATE Borrower shall within ten days of a written request from Lender furnish Lender with a written statement, duly

payment of sums secured by this Instrument. 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 paragraphs 5 and 11 hereof operate to cure or waive Borrower's default in nor shall Lender's receipt of any awards, proceeds or damages under paragraphs 5 and 11 hereof operate to cure or waive Borrower's default in afforded by applicable law, shall not be a waiver of or preclude the exercise of any 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

Borrower's request.

13. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right of remedy hereunder, or otherwise

Connection with such condemnation or taking as Lender may require.

12. BORROWER AND LIEN WOT RELEASED. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower's breach of any covenant or assigns or of any junior lienholder or guarantors, without liability on Lender's part and not or any part thereof, reduce the payments thereon, release snyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of the Property, consent to any part of the Property, consent to any map or plan of the Property, consent to modify the rate of interest or period of smortization of the Note or additional security, reconvey any part of the Property, consent to make to modify the rate of interest or period of smortization of the Note or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the terms and time of payment of the Property, consent to modify the rate of interest or period of smortization of the Note or additional security, reconvey any part of the Property, consent to modify the rate of interest or period of smortization of the Note or additional security, installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Institument of the insurance premium, shall not affect the fundamental payable thereon, contained by the institution or Borrower's request.

Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, for any such action if taken at a lender with such title insurance premiums and attorneys as may be incurred at Lender's option, for any such action if taken at the payable thereof or Borrower by the payable thereof on the Property.

Lender a reasonable service charge, and a such a successor of a san and a such a

the lease expiration date, the rent payable and the rent paid.

II. CONDEMINATION. Borrower 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 Borrower shall appear in and prosecute any such action or proceeding unless otherwise direct or indirect, or the Property, or part thereof, and Borrower shall appear in and prosecute any such action or part there is a Lender at the ground lease.

Borrower's name, any estion or proceeding relating to any condemnation or other taking. The proceeds of any award, payment or and to settle or compromise any claim in connection with any condemnation or other taking, whether direct or indirect, or the Property, whether or indirect, or the Property, or part the regiment of lease or connection with any condemnation or other taking, whether direct or indirect, or the Property or part the regiment of lease or connection with any condemnation or other taking, whether direct or indirect, or the Property or part the rights of leason under the ground lease.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender subject, if this Instrument is on a leasehold, or the rights of leason under the ground lease.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender subject, if this Instrument is on a leasehold, or the other national application or taking in paragraph 3 hereof, with the basince, if any, to Borrower. Unless Borrower authorizes Lender to apply year awards, payments, in the deduction of such installments. Borrower are to restorate or restoration or taking as Lender may, at Lender's option, to restorate or execute such turning and the such condemnation or taking as Lender may require.

I.S. BORROWER AND LIEN (NOT RELEASE). From time time to time, the deduction of such installments are condemnation or taking as Lender may at Lender's option, with any paymen

independent certified public accountant. Borrower shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid. Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Upon Lender's request, Borrower shall furnish to Lender, within one hundred and twenty days after the end of each fiscal year of Borrower, a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Borrower and, if Lender shall require, by an independent of changes in financial position, each in reasonable detail and certified by Borrower and, if Lender shall require, by an independent certified in this continuent.

contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

10. BOOKS AND RECORDS. Borrower shall keep and maintain at all times at Borrower's address stated below, or such other place as Lender may approve in writing, complete and accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all writes contact books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all writes contact and other places and other places.

the date of disbursement at the rate stated in the Note unless collection from Borrower 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 Borrower under applicable law. Borrower hereby covenants and agrees 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 Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from

paragraph 5 hereof, and (iv) if this Instrument is on a leasehold, exercise of any option to renew or extend the ground lease on behalf of Borrower and conditions of the ground lease.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this

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'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 appearances, disburses such stronger section as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not himself to disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (iii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (iii) entry upon the Property to make repairs, (iii) procurement of attorney's fees, (iii) entry upon the process of t

7. USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

8. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Instrument, or if any action or the property without Lender's prior written consent.

pecome a lien on such tee estate.

interests, and Borrower shall not, without the express written consent of Lender, alter or amend said ground lease. Borrower coverants and agrees that there shall not be a merger of the ground lease, or of the leasehold estate created thereby, with the fee estate covered by the ground lease by the ground lease. Borrower shall consent in writing to reason of said lease by the ground lease. Borrower shall acquire such the ground lease by the ground lease by the ground lease. Borrower shall not surrender the leasehold estate and interests herein conveyed nor terminate or cancel the ground lease creating said estate and

Upon Lender's request, Borrower shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Borrower prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

- 17. 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.

 18. ACCELERATION IN CASE OF BORROWER'S INSOLVENCY. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the inviduation of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a Federal bankrupty court or similar state court or if Borrower shall realize a configuration of a federal bankrupty court or similar state court or if Borrower shall realize a configuration of a federal bankrupty court or similar state court or if Borrower shall realize a configuration of a federal bankrupty court or similar state court or if Borrower shall realize a configuration of a federal bankrupty court or similar state court or if Borrower shall realize a configuration of a federal bankrupty court or instance and state a configuration of a federal bankrupty court or instance and state a configuration of become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 27 of this Instrument. Any attorney's fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Instrument pursuant to paragraph 8 hereof.
- 19. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER; ASSUMPTION. On sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity). 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 paragraph 27 of this Instrument. This option shall not apply in
 - (a) transfers by devise or descent or by operation of law upon the death of a joint tenant or a partner;
 - (b) sales or transfers when the transferee's creditworthiness and management ability are satisfactory to Lender and the transferee has executed, prior to the sale or transfer, a written assumption agreement containing such terms as Lender may require, including, if required by Lender, an increase in the rate of interest payable under the Note;
 - (c) the grant of a leasehold interest in a part of the Property of three years or less (or such longer lease term as Lender may permit by prior
 - written approval) not containing an option to purchase (except any interest in the ground lease, if this Instrument is on a leasehold);
 (d) sales or transfers of beneficial interests in Borrower provided that such sales or transfers, together with any prior sales or transfers of beneficial interests in Borrower, but excluding sales or transfers under subparagraphs (a) and (b) above, do not result in more than 49% of the beneficial interests in Borrower having been sold or transferred since commencement of amortization of the Note; and (e) sales or transfers of fixtures or any personal property pursuant to the first paragraph of paragraph 6 hereof.
- 20. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Instrument or in the Note shall be given by mailing such notice by certified mail addressed to Borrower's address stated below or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) 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 Borrower as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given to Borrower or Lender when given in the
- manner designated herein.

 21. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower 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 paragraphs of this instrument are for convenience only and are not to be used to interpret or define the provisions hereof
- hereof.

 22. UNIFORM MULTIFAMILY INSTRUMENT; GOVERNING LAW; SEVERABILITY. This form of multifamily instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property and related fixtures and personal property. 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 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 Borrower is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Borrower is 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 Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the 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 Note. term of the Note
- 23. WAIVER OF STATUTE OF DIMITATIONS. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument.
- 24. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise
- To fany of the remedies permitted by applicable law or provided herein.

 EXCONSTRUCT

 *
- MINIOCHONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOCIONOSCOC
- 26. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Borrower hereby authorizes Lender or Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this Instrument in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Borrower, it being intended by Borrower and Lender that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this paragraph 26 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Borrower of the breach by Borrower shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that commencing upon delivery of such written notice of Borrower's breach by Lender to Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

GREATLAND (Puge 5 of 7 pages) To Order Call: 1 900 530-0303 F

MUNSTER, IN 46321	
10302 APPLEWOOD CT	
Borrower's Address:	
(2csl)	
(Seal)	PATRICIA A JOHNSON MEMBER
Docum NOT OFF	way of the
([vəs]) This Document is	P & D ENTERPRISES LLC by
its Instrument or has caused the same to be executed by its	representatives increunto duly authorized.
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
NK ROUTONOLYNICK XIXTANIKKK XXPOOLOOOLOONOLOONOLOONOLOONOLOONOLOONOL	D <mark>UXXXXXXXXQEXCH</mark> XQEXCHXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
DOLYSOFOLD GENEVAND OF STORY OF THE STORY OF	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
i title reports. 2 mile reports. 2 mail release this Instrument. Borrower shall pay Lender's reasonable costs	not limited to, attorney's fees, costs of documentary evidence, abstracts and 28. RELEASE. Upon payment of all sums secured by this Instrument, Laintenanced in releasing this Instrument.
e this instrument by judicial proceeding and may invoke any other remedies of local editions and expenses including, but	

This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure indebtedness held by Lender.

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein.

27. ACCELERATION; REMEDIES. Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender's option may declare all of the sums secured by this Instrument to be

any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Instrument pursuant to paragraph 8 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from 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 Borrower under amplicable law.

paragraph 26.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any finds expended by Jender for such purposes, shall become at Romourer to London counsel by this Lectures to

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor or landlord of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this

fec for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant.

regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event clot the maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may in person, by agent or by a court-appointed receiver,

the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the due dates of such rents. Borrower turther covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 26, and that at

CORPORATE ACKNOWLEDGMENT

STATE OF INDIANA,	Lake	County ss:		
On this 12th for said County, personally	day of y appeared	April. 2007 P & D ENTERPRISES LLC (Name of Corporation)	, before me, the undersigned, a Notary Public in and by	
DAVID L JOHNSON		(Nume of Corporation)	MEMBERS	
and	· · · · · · · · · · · ·	PATRICIA A JOHNSON	, its Reconstruction Sementary respectively,	
and acknowledged the exe	cution of the fo	oregoing instrument.		
WITNESS my hand an	d official seal.			
My Commission expires: Resident of Late	01-15-08 County,	IN.	AL DIA	
STACEY EIS LAKE CO MY COMMISS	UNTY SION EXPIRES		Notary Public	
JAN. 15. 2008 INDIVIDUAL ACKNOWLEDGMENT				
STATE OF INDIANA,		County ss:		
		•	, before me, the undersigned, a Notary Public in and	
On this for said County, personal		ledged the execution of the fo		
WITNESS my hand a	nd official seal	OT OFFIC	CIAL!	
My Commission expires:	This l	Document is the	property of	
		e Lake Coun <u>ty R</u>		
			Notary Public	
	INDIVIDHA	I I IMITED PARTNERSH	IIP ACKNOWLEDGMENT	
STATE OF INDIANA,	INDIVIDOA	County ss:	ACKITO VI BESONELLA	
On this	day of		, before me, the undersigned, a Notary Public in and	
for said County, personal	ly appeared	(Name of Limited Partnersh	, a limited partnership, by	
		SUPPLER'S ON	, general partner(s),	
and acknowledged the execution of the foregoing instrument.				
WITNESS my hand and official seal.				
My Commission expires:		MOIANA LILI		
	· ·		Notary Public	
			Troining Table	
CORPORATE LIMITED PARTNERSHIP ACKNOWLEDGMENT				
STATE OF INDIANA,		County ss:		
On this	day of		, before me, the undersigned, a Notary Public in and	
for said County, personal	ly appeared	(Name of Limited Partnersh	, a limited partnership, by	
(Name of	Corporation)	, general partne	r of said limited partnership, by	
	and		its President and Secretary respectively,	
and acknowledged the ex				
WITNESS my hand a	nd official seal			
My Commission expires:				
			Notary Public	

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. BONNIE CONNORS

This instrument was prepared by ____

BONNIE CONNORS

LOAN PROCESSOR

| GREATLAND ■ | ITEM 39181L7 (9904) | (Page 7 of 7 pages) | To Order Call: 1-800-530-9393 □Fax 616-791-1131

ADJUSTABLE RATE RIDER

This adjustable rate rider is made this 12th day of April, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the Security Instrument) of the same date given by the undersigned (the Borrower) to secure Borrower's Adjustable Rate Note (the Note) to Peoples Bank SB (the Lender) of 9204 Columbia Avenue, Munster, Indiana 46321 of the same date and covering the properties described in the Security Instrument and located at:

2431 RIDGEWOOD AVE., HIGHLAND, IN 46322

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE WHICH MAY EFFECT THE BORROWER'S BALANCE.

Additional Covenants. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agrees as follows:

A. INTEREST RATE

The Note provides for an initial rate of 7.375%. The Note provides for changes in the interest rate and the scheduled payments. This Initial Interest Rate is fixed for five years from the date of this rider.

The interest rate I pay will change on the date of any change in the Index. Each date on which my interest rate could change is called a "Change Date."

B. CHANGE DATE

the Lake County Recorder!

The Note interest rate may change every one years on the date of this rider beginning April 12, 2012

C. THE INDEX

Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is:

Weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board

The most recent Index figure available as of the date of each Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

D. CALCULATION OF CHANGES

Before each Change Date, the Note Holder will calculate my new interest rate by adding 300 basis points to the Current Index.

E. EFFECTIVE DATE OF CHANGES

My new interest rate will become effective on each Change Date.

F. NOTICE OF CHANGES

The Note Holder will deliver or mail to me a notice of any changes in my interest rate.

By signing below, Borrowers accept and agree to the terms and covenants contained in this adjustable rate rider.

ACCEPTANCE

P & D ENTERPRISES, LLC

DAVID L JOHNSON, MEMBER

Patricia a Johnson, MEMBER

ADDENDUM/EXHIBIT A

PARCEL 1:

Part of the Southwest Quarter of the Southwest Quarter of Section 21, Township 36 North, Range 9 West of the 2nd Principal Meridian, in Lake County, Indiana, described as follows: Beginning at a point 421.95 feet South and 300 feet East of the Northwest corner thereof; thence North 214.45 feet to a point, said point being 240 feet South of the South line of Ridge Road; thence Southeasterly parallel to said road, 100.84 feet; thence South to a point 421.95 feet South of the North line of said Quarter Quarter Section; thence West 100 feet to the place of beginning.

PARCEL 2:

A part of the West Half of the Southwest Quarter of Section 21, Township 36 North, Range 9 West of the 2nd Principal Meridian, in Lake County, Indiana, described as follows: Commencing at a point on a line 300 feet East of and parallel to the West line of said Southwest Quarter of said point being located 240 feet South of the center line of Ridge Road as located on October 22, 1923; thence South parallel to said West line to a point 240 feet South of the South line of said Ridge Road as located on October 22, 1923; thence Southeasterly parallel to said Southwest Quarter; thence North parallel to said West line to a point 240 feet South of the center line of said Ridge Road as located on October 22, 1923; thence North parallel to said West line to a point 240 feet South of the center line of said Ridge Road as located on October 22, 1923; thence Northwesterly to the point of beginning.

