

Promissory Note

1. **Promise to Pay.** For value received, \$15,000.00, David Zych (Borrower) promises to pay Josefina Pascua (Lender) \$ \$15,000.00 and simple interest of 12 % on this amount as specified below for a total of \$16,800.00.

2. **Installments.**

The payment schedule is as follows:

\$3,000.00 due August 15, 2009

\$3,000.00 due November 15, 2009

\$3,000.00 due February 15, 2010

\$7,800.00 balloon payment due May 15, 2010

3. **Application of Payments.** Payments will be applied to the total owed value.

4. **Prepayment.** Borrower may prepay all or any part of the principal without penalty.

5. **Loan Acceleration.** If Borrower is more than 60 days late in making any payment, Lender may declare that the entire balance of unpaid principal is due immediately, together with the interest that has accrued.

6. **Security**

☐ This is an unsecured note.

☒ Borrower agrees that until the principal and interest owed under this promissory note are paid in full, this note will be secured by the

☒ mortgage covering the real estate commonly known as 2300 Maryland, Gary, IN 46407

☐ deed of trust covering the real estate commonly known as Lot 19 and the North 10 feet of Lot 20 in Block 6 in Mid-City Realty Company's Central Subdivision, in the City of Gary, as per plat thereof, recorded in Plat Book 15, page 31, in the Office of the Recorder of Lake County, Indiana.

7. **Collection Costs.** If Lender prevails in a lawsuit to collect on this note, Borrower will pay Lender's costs and lawyer's fees in an amount the court finds to be reasonable.

The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of attorney to enter into any such modification on their behalf. The rights of any holder hereof shall be cumulative and not necessarily successive. This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of Indiana.

Josefina Pascua
Josefina Pascua (Lender)

JOSEFINA PASCUA
Printed Name

5-29-09
Date

David Zych
David Zych (Borrower)

DAVID ZYCH
Printed Name

6/11/09
Date

1 witnessed David Zych's signature only.
Brittany Boudiette
06/11/09

"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."
PREPARED BY: DAVID ZYCH

BRITTANY BOUDIETTE
Notary Public - Seal
State of Indiana
My Commission Expires Jul 24, 2016