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REAL ESTATE MORTGAGE

THIS INDENTURE, made this 24th day of February, 1993, between

BCO INDUSTRIES, INC., (a corporation

duly organized under the laws of Kansas, acting by its President, being thereunto duly

authorized), of Moundridge, McPherson County, Kansas, hereinafter called mortgagor, and the Union National Bank of Wichita, Kansas, hereinafter called mortgagee.

WITNESSETH: That said mortgagor, for and in consideration of ONE MILLION DOLLARS in hand paid by the mortgagee, the receipt of which is hereby acknowledged, does hereby grant, convey, and mortgage unto the mortgagee all the following described real estate situated in the County of Lake, State of Kansas, to-wit:

Indiana

Parcel 1: The East 144.25 feet of the West 858.25 feet of that part of the Northwest Quarter of the Southwest Quarter of Section 4, Township 34 North, Range 8 West of the 2nd P.M., lying North of the Chicago and Erie Railroad; in Lake County, Indiana;

Parcel 2: The West 155 feet of Lot 2, Turner Addition of Outlot in the town now City of Crown Point, as shown in Plat Book 1, Page 8, in Lake County, Indiana.

(a/k/a 1011 Summit Street, Crown Point, Indiana)

STATE OF INDIANA, S.S.H.O. LAKE COUNTY FILED FOR RECORD MAR 11 1 22 PM '93 SANCHEZ-ONLICH RECORDER



together with all the privileges, hereditaments, and appurtenances thereto belonging, or in anywise appertaining.

This mortgage is given to secure the payment of a promissory note of even date herewith, executed by mortgagor to mortgagee in the amount of ONE MILLION AND NO/100 Dollars, with interest thereon at the rate specified in said note, said principal and interest being payable at the time specified in the said note, the said installment hereof being due and payable on the day of xxxxxxxx, 19xxxx, and providing that defaulted payments shall bear interest at the rate of 18 percent per annum, and all other sums which may hereafter be owing to the mortgagee by the mortgagor or any of them, however evidenced; it being understood and agreed that the mortgagee may from time to time make loans and advances to the mortgagors or any of them and that all such loans and advances and the interest thereon will be secured by this mortgage; provided that the aggregate principal amount of the loans and advances hereunder shall at no time exceed the amount hereinbefore stated.

Mortgagor hereby covenants and agrees as follows:

- 1. To be now lawfully seized of the fee simple title to all of said above described real estate; to have good right to sell and convey the same; that the same is free from all encumbrances; and to warrant and defend the title thereto against the lawful claims or demands of all persons whomsoever.
2. To pay when due all payments provided for in the note secured hereby.
3. To pay when due all taxes, liens, judgments, water rents or assessments which may be lawfully assessed or levied against the property herein mortgaged.
4. To insure and keep insured buildings and other improvements now on, or which may hereafter be placed on, said premises against loss or damage by fire or tornado, in companies and amounts satisfactory to the mortgagee, any policy evidencing such insurance to be deposited with, and loss thereunder to be payable to mortgagee, as its interest may appear, as collateral and additional security for the payment of all indebtedness, interest and sums secured hereby.
5. Not to permit, either wilfully or by neglect, any unreasonable depreciation in the value of said premises or the buildings and improvements situated thereon, but to keep the same in good repair at all times; not to demolish or remove or permit to be demolished or removed from said premises any buildings or improvements situated thereon; and not to commit or suffer waste to be committed upon the premises.
6. To reimburse mortgagee for all costs and expenses incurred by it in any suit to foreclose this mortgage, or in any suit which mortgagee may be obliged to defend or in which mortgagee is obliged to protect its rights or lien acquired hereunder, including all abstract fees, court costs, a reasonable attorney fee where allowed by law, and other expenses; and such sums shall be secured hereby and included in any decree of foreclosure.
7. At any time, upon request, to execute acknowledge, and deliver all such additional papers and instruments, and do or cause to be done all such acts and things that may be proper or reasonably necessary for effectually carrying out the intent hereof.

In the event the mortgagor fails to pay when due any taxes, liens, judgments, water rents, or assessments lawfully assessed against the property herein mortgaged, or fails to maintain insurance as hereinbefore provided, mortgagee may make such payments or provide such insurance, and the amount or amounts paid therefor shall become a part of the indebtedness secured hereby and bear interest from the date of payment at the rate of 18 percent per annum.

The said mortgagor hereby transfers, sets over and conveys to the mortgagee all rents, royalties, bonuses, and delay moneys that may from time to time become due and payable under any oil and gas or other mineral lease or leases of any kind now existing or that may hereafter come into existence, covering the above described land, or

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any portion thereof, and said mortgagor agrees to execute, acknowledge and deliver to mortgagee such deeds or other instruments as the mortgagee may now or hereafter require in order to facilitate payment to it of said rents, royalties, bonuses and delay moneys. All such sums so received by the mortgagee shall be applied: first to the payment of matured installments upon the note or notes secured hereby and to the reimbursement of the mortgagee for any sums advanced in payment of taxes, insurance premiums, assessments, or any of said purposes, or for other purposes, as herein provided, together with the interest due thereon; and second, the balance, if any, upon the principal remaining unpaid, in such manner, however, as not to abate or reduce the annual payments but sooner to retire and discharge the loan; or said mortgagee may, at its option, turn over and deliver to the then owner of said lands, either in whole or in part, any or all such sums, without prejudice to any of its rights under this mortgage. The transfer and conveyance hereunder to the mortgagee of said rents, royalties, bonuses and delay moneys shall be construed to be a provision for the payment or reduction of the mortgage debt, subject to the mortgagee's option as hereinabove provided, independent of the mortgage lien on said real estate. Upon payment in full of the mortgage debt and the release of the mortgage of record, this conveyance shall become inoperative and of no further force and effect.

In the event of foreclosure of this mortgage, mortgagee shall be entitled to have a receiver appointed by the court to take possession and control of the premises described herein and collect the rents, issues and profits thereof; the amount so collected by such receiver to be applied under the direction of the court to the payment of any judgment rendered or amount found due under this mortgage.

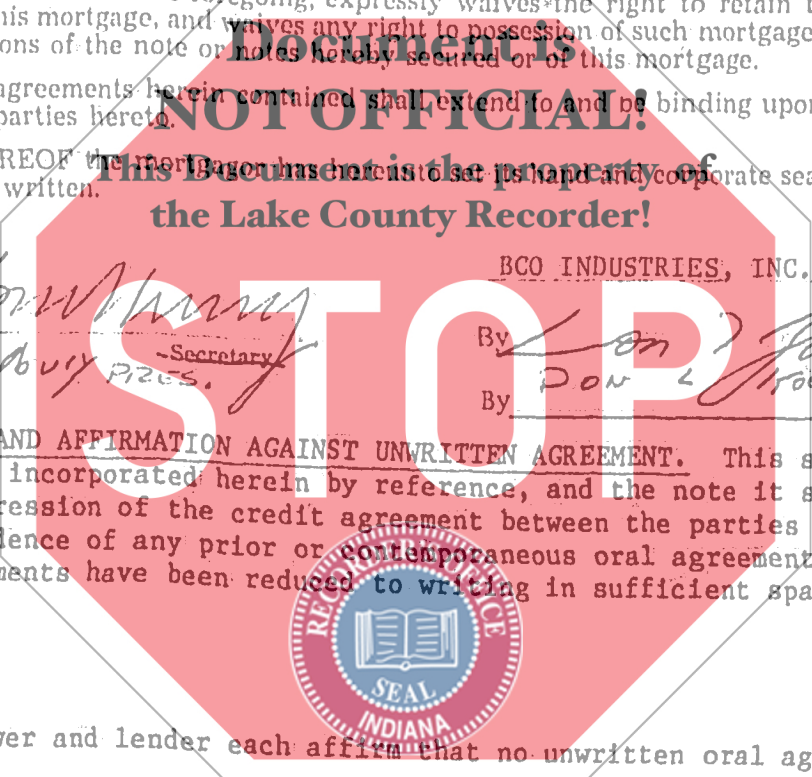
In the event mortgagor defaults with respect to any covenants or conditions hereof, then, at the option of the mortgagee, the indebtedness secured hereby shall forthwith become due and payable and bear interest at the rate of 18 percent per annum and this mortgage shall become subject to foreclosure; provided, however, mortgagee may at its option and without notice annul any such acceleration but no such annulment shall affect any subsequent breach of the covenants and conditions hereof.

No requirement, covenant or provision of this mortgage may be waived at any time except in writing, and no waiver shall be operative upon other than a single occasion, and all rights and remedies contained in the mortgage are intended to be cumulative and not in substitution for any right or remedy otherwise available.

In case of the foreclosure of this mortgage, the mortgagor hereby wholly waives the period of redemption, and the benefit of any valuation, appraisal, stay or moratorium laws now in force or which may hereafter become in force, and without limitation to the foregoing, expressly waives the right to retain the mortgaged property after the foreclosure of this mortgage, and waives any right to possession of such mortgaged property after default in the terms and conditions of the note or notes hereby secured or of this mortgage.

The covenants and agreements herein contained shall extend to and be binding upon the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the mortgagor has hereunto set its hand and corporate seal (by its President) the day and year first above written.



ATTEST

David Bradbury
David Bradbury
-Secretary
PRES.

BCO INDUSTRIES, INC.
By *Don L. Koehn*
By *Don L. Koehn*
President

NOTICE TO BORROWER AND AFFIRMATION AGAINST UNWRITTEN AGREEMENT. This security instrument, including any rider incorporated herein by reference, and the note it secures are a complete and final expression of the credit agreement between the parties and may not be contradicted by evidence of any prior or contemporaneous oral agreement. Any additional terms or oral agreements have been reduced to writing in sufficient space provided in the note or as follows:

Signing here, borrower and lender each affirm that no unwritten oral agreement between them exists:

UNION NATIONAL BANK OF WICHITA
BY: *James H. [Signature]*
Lender

BCO INDUSTRIES, INC.
BY: *Don L. Koehn*
Borrower
DON L. KOEHN

BY: _____
Borrower

STATE OF *Kansas*
COUNTY OF *Sedgewick* SS.

BE IT REMEMBERED, that on this *22* day of *February*, 19*93*, before the undersigned, a notary public in and for said County and State, came *Don C. Koehn* President of *Treasurer of BCO Industries, Inc.* to me personally known to be the same person who executed the foregoing instrument, and such person duly acknowledged the execution of same for and on behalf and as the act and deed of said corporation.

IN WITNESS WHEREOF I have hereunto subscribed my name and affixed my notarial seal the day and year last above written.

My Commission Expires:

Gayle M. Montanez
Notary Public

Prepared by: Gayle M. Montanez