

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MORRIS W. CARTER
RECORDER

COLLATERAL ASSIGNMENT OF CONTRACT AND MORTGAGE

(Commercial Lease)

Date: July 13, 2000

MORTGAGOR: JERRY C. HAYDEN and SUSAN J. HAYDEN, husband and wife, whose address is 4203 E. 173rd Avenue, Hebron, In 46310.

MORTGAGEE: TELMARK LLC, a Delaware limited liability company, with an office for the conduct of its business located at 333 Butternut Drive, DeWitt, New York 13214.

The Mortgagor promises and agrees as follows:

TRANSFER OF RIGHTS IN THE PROPERTY

1. The Mortgagor hereby assigns, grants a security interest in, mortgages and warrants to the Mortgagee the Mortgaged Property described in this Collateral Assignment of Contract and Mortgage ("Mortgage"). Mortgagor can lose the Mortgaged Property for failure to keep the promises in this Mortgage. This Mortgage creates a legally enforceable lien upon the Mortgaged Property.

OBLIGATION SECURED BY MORTGAGE

1. This Mortgage secures all the obligations of Jerry C. Hayden ("Lessee") under a Lease Agreement dated July 13, 2000 (the "Lease") between Lessee and the Mortgagee, calling for Lease payments totalling \$ 163,230⁰⁰. The date the final payment is due under the Lease is April 28, 2010. This Mortgage also secures any and all extensions, renewals, and modifications of the obligations under the Lease, and all obligations under any additional or future lease agreements made by the parties hereto (collectively, "Lease Agreements"). This Mortgage also secures performance by the Mortgagor of the obligations under this Mortgage, and all costs and expenses of collection and enforcement, including attorneys' fees, payable by the Mortgagor hereunder.

Mortgagor hereby acknowledges and agrees that the obligations secured by this Mortgage include, and that this Mortgage is given to secure, advances that may be made by Mortgagee to Lessee or Mortgagor and obligations to Mortgagee that may be incurred by Lessee or Mortgagor after the execution of this Mortgage ("future advances") and that this Mortgage shall secure all future advances of every kind and whenever occurring, provided however, that the maximum amount of unpaid future advances outstanding at any one time shall not exceed \$ 163,230⁰⁰, such maximum amount being stated herein pursuant to and in accordance with Indiana Code §32-8-11-9 and not being a commitment by Mortgagee to make or permit Lessee or Mortgagor to incur future advances, and provided, further, that the maximum amount secured by this Mortgage at any one time in all events shall not exceed \$ 163,230⁰⁰.

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PROPERTY MORTGAGED

1. The property mortgaged (the "Mortgaged Property") by the Mortgagor to the Mortgagee is (a) all of the rights, title and interests of Mortgagor in, to and under a Land Contract dated June 2, 1999, with respect to which a Memorandum of Written Land Contract was recorded on June 10, 1999 in the office of the Recorder of Lake County, Indiana, as instrument no. 99049250, between Grace Bykerk, as vendor, and Mortgagor, as purchaser, and covering the real estate and other property described in clause (b) following (the "Contract"); and (b) the real estate in Lake County, Indiana described below, and all buildings and improvements now or hereafter located thereon (the "Property"):

The North One-Half of the Southeast Quarter, and the East Thirty (30) acres of the Northeast Quarter of Section 25, Township 33 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana, EXCEPTING THEREFROM the following two (2) parcels:

Parcel 1: Part of the East 30 acres of the Northeast Quarter of Section 25, Township 33 North, Range 8 West of the 2nd P.M. described as follows:

Beginning at the Northeast corner of Northeast Quarter; thence South 00° East along the East line thereof 634.6 feet; thence North 90° West 495 feet to the West line of said 30 acres; thence North 00° West along said West line 634.76 feet to the North line of said 30 acres; thence South 89°58'52" East along said North line 495 feet to the point of beginning, containing 7.21 acres, in Lake County, Indiana.

Parcel 2: A rectangular parcel being a part of the Northeast Quarter of Section 25, Township 33 North, Range 8 West of the Second Principal Meridian in Eagle Creek Township in Lake County, Indiana, and more particularly described as follows: Beginning at a point on the East line of said Section 25 which is 634.6 feet South of the Northeast corner of said Section 25; thence in a Westerly direction perpendicular to the aforesaid East line of Said Section 25, a distance of 495.0 feet to a point; thence in a Southerly direction parallel to the aforesaid East line of said Section 25, a distance of 150.0 feet; thence in an Easterly direction perpendicular to the aforesaid East line of said Section 25, a distance of approximately 495.0 feet, more or less, to a point on the aforesaid East line of said Section 25, said point being 150.0 feet south of the Point of Beginning; thence in a Northerly direction along the aforesaid East line of said Section 25, a distance of 150.0 feet to the Point of Beginning.

PAYMENT

1. Mortgagor will pay the Lease payments as promised in the Lease according to its terms.

INSURANCE

1. Mortgagor will keep the buildings on the Property insured against loss by fire and other risks included in the standard form of extended coverage insurance. The amount shall be approved by Mortgagee. The policies shall contain the standard New York Mortgage clause in the name of the Mortgagee. Within thirty (30) days after notice and demand, Mortgagor must insure the Property against any risk reasonably

required by Mortgagee. If Mortgagor fails to obtain the required insurance or keep the buildings or the Property insured, Mortgagee may obtain the insurance.

TAXES, ETC.

1. Mortgagor will pay all taxes, assessments, sewer rents or water rates within thirty (30) days after they are due, and will pay at the same time all interest and penalties, if any, that have accrued with respect thereto. Mortgagor must show receipts for these payments within ten (10) days of Mortgagee's demand for them.

MORTGAGEE'S RIGHT TO CURE

1. The Mortgagor authorizes the Mortgagee to make any payments necessary to correct any failure by the Mortgagor to provide insurance or pay taxes or other items as required in Paragraphs 5 and 6 of this Mortgage or to perform Mortgagor's duties, liabilities, obligations and covenants under the Contract as provided in paragraph 24 of this Mortgage.

The Mortgagee may charge interest at the rate of 12% per annum on any payments of this kind and if the Mortgagor does not pay the advances and interest to the Mortgagee within ten (10) days after being asked to do so, the amount of the payments and interest thereon will become part of the debt secured by this Mortgage.

MAINTENANCE

1. Mortgagor will keep the Property in reasonably good repair.

OIL AND HAZARDOUS MATERIALS

1. Mortgagor represents and warrants that there has been no release of oil or other hazardous materials on the premises, nor has it ever been used for the treatment, storage or disposal of oil or other hazardous materials nor shall it be so used. Mortgagor represents that the Property is not "property", as that term is used in the Indiana Responsible Property Transfer Law.

ENVIRONMENTAL AUDIT

1. Mortgagor agrees that if the Mortgagee shall be required to pay for an environmental audit, the Mortgagor shall reimburse the Mortgagee, within thirty (30) days after demand, for the cost of the same, and if a lien is filed against the premises by any Federal, State and/or Local Authority pertaining to oil or hazardous materials, Mortgagor shall pay and remove the lien within thirty (30) days of the date of filing.

ENVIRONMENTAL LIABILITY

1. Mortgagor shall indemnify and hold the Mortgagee harmless from any loss, liability or expense, including without limitation, costs associated therewith for all proceedings, engineering expenses and attorney's fees as incurred by Mortgagee as a result of any release of oil or hazardous material onto the premises.

NO SALE OR ALTERATION

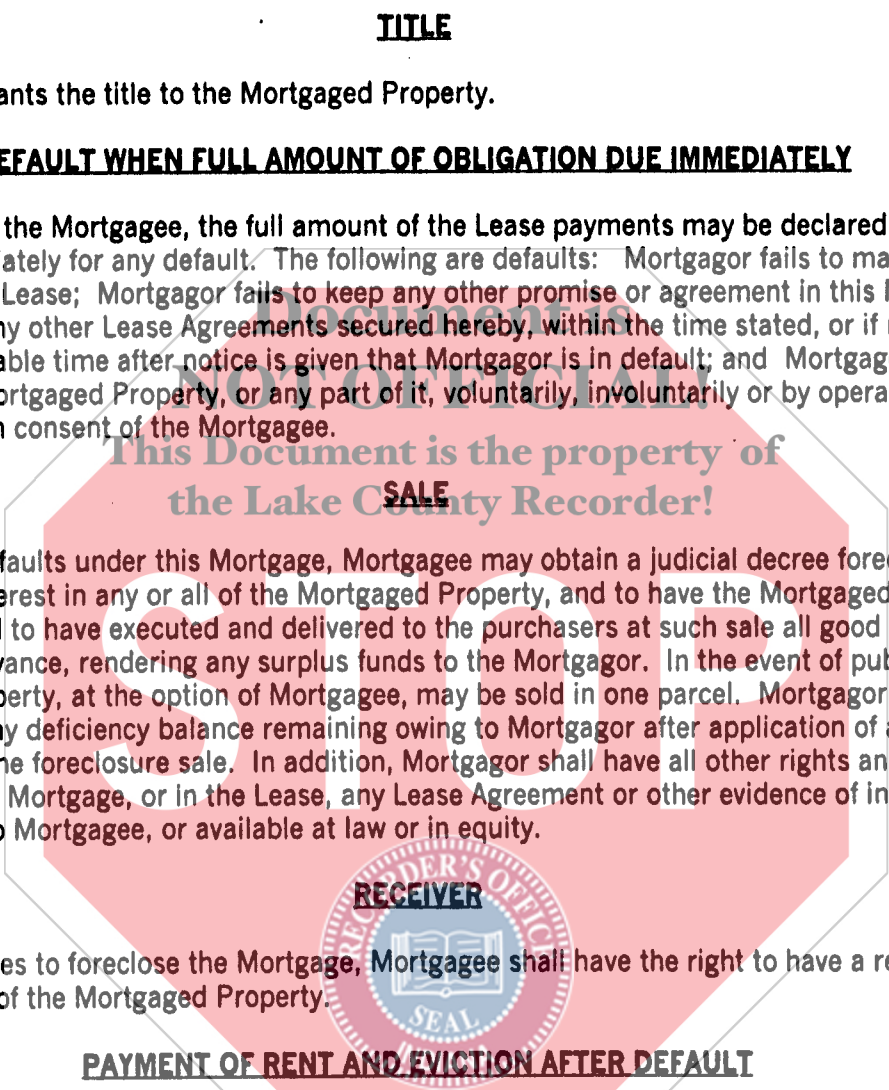
1. The Mortgagor may not, without the consent of the Mortgagee, (a) alter, demolish, or remove the buildings and improvements on the Property, or (b) assign, sell or transfer or enter into any contract to sell or transfer the Mortgaged Property or any part of it.

TITLE

1. Mortgagor warrants the title to the Mortgaged Property.

DEFAULT WHEN FULL AMOUNT OF OBLIGATION DUE IMMEDIATELY

- (a) At the option of the Mortgagee, the full amount of the Lease payments may be declared to be due and payable immediately for any default. The following are defaults: Mortgagor fails to make any payment required by the Lease; Mortgagor fails to keep any other promise or agreement in this Mortgage or in the Lease and/or any other Lease Agreements secured hereby, within the time stated, or if no time is stated, within a reasonable time after notice is given that Mortgagor is in default; and Mortgagor assigns or transfers the Mortgaged Property, or any part of it, voluntarily, involuntarily or by operation of law without the prior written consent of the Mortgagee.



1. If Mortgagor defaults under this Mortgage, Mortgagee may obtain a judicial decree foreclosing Mortgagor's interest in any or all of the Mortgaged Property, and to have the Mortgaged Property sold at public sale, and to have executed and delivered to the purchasers at such sale all good and sufficient deeds of conveyance, rendering any surplus funds to the Mortgagor. In the event of public sale, the Mortgaged Property, at the option of Mortgagee, may be sold in one parcel. Mortgagor may also obtain a judgment for any deficiency balance remaining owing to Mortgagee after application of all amounts received from the foreclosure sale. In addition, Mortgagor shall have all other rights and remedies provided in this Mortgage, or in the Lease, any Lease Agreement or other evidence of indebtedness given by Mortgagor to Mortgagee, or available at law or in equity.

1. If Mortgagee sues to foreclose the Mortgage, Mortgagee shall have the right to have a receiver appointed to take control of the Mortgaged Property.

PAYMENT OF RENT AND EVICTION AFTER DEFAULT

1. If there is a default under this Mortgage, Mortgagor must pay monthly in advance to Mortgagee, or to a receiver who may be appointed to take control of the property, the fair rental for the use and occupancy of the Property that is in the possession of the Mortgagor. If Mortgagor does not pay the rent when due, Mortgagor will vacate and surrender the Property to Mortgagee or to the receiver.

APPLICABLE LAW

1. This Mortgage shall be governed by and construed under Indiana law.

NOTICES

1. Notices, demands or requests may be in writing and may be delivered in person or sent by mail.

ATTORNEY FEES

1. Mortgagor shall be liable for the payment of any and all reasonable attorney fees and costs incurred by Mortgagee in any action to foreclose this Mortgage, or to collect the obligation pursuant to the Lease and/or Lease Agreements, as may be permitted by law to be charged, including any and all additional statutory costs and allowances.

WHO IS BOUND

1. If there are more than one Mortgagor, each shall be separately liable. The words "Mortgagor" and "Mortgagee" shall include their heirs, executors, administrators, successors and assigns. If there are more than one Mortgagee, the word "Mortgagee" used in this Mortgage shall include them.

Document is
ASSIGNMENT
NOT OFFICIAL!
This Document is the property of
NO ORAL CHANGES
the Lake County Recorder!

1. Mortgagee shall have the right to assign this Mortgage or any part thereof.

1. This Mortgage cannot be changed or amended except in writing signed by the Mortgagor and the Mortgagee.

THE CONTRACT

24. Mortgagee is not obligated to perform any of the duties, liabilities, obligations or covenants of Mortgagor under the Contract and nothing in this Mortgage shall release or discharge Mortgagor from the payment and performance of such duties, liabilities, obligations and covenants. In the event Mortgagor fails to pay and perform fully any of such duties liabilities, obligations and covenants, Mortgagee may, at its option, perform the same. Mortgagor hereby constitutes and appoints Mortgagee as their lawful attorney-in-fact with full power of substitution to pay or perform any such duties, liabilities, obligations or covenants. Mortgagor represents and warrants to Mortgagee that (a) the Contract is in full force and effect and has not been amended or modified in any respect; (b) neither Mortgagor nor the seller under the Contract is in default under any of the provisions of the Contract; and (c) Mortgagor has good and legal right to assign and grant a security interest in the Contract and to mortgage the Mortgagor's interest in the Property. Mortgagor covenants that Mortgagor (a) will pay, as and when due, all principal, interest, taxes, assessments, and other charges payable by Mortgagor under the Contract; (b) will perform timely all of the covenants and conditions to be performed by Mortgagor under the Contract and do all things necessary to preserve and to keep unimpaired its rights and estate under the Contract; (c) will notify Mortgagee immediately of any default under the Contract or of the receipt any notice from the seller thereunder noting or claiming any default by Mortgagor; (d) will not modify, extend, amend or in any way alter the terms of the Contract without the prior written consent of Mortgagee, or cancel, surrender or terminate the Contract, or consent to the subordination of the Contract to any mortgage of the fee interest of the seller thereunder.

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor.

MORTGAGOR:

Name: Jerry C. Hayden
Printed: Jerry C. Hayden

Name: Susan J. Hayden
Printed: Susan J. Hayden



STATE OF INDIANA

COUNTY OF MARSHALL)
) ss.

On the 13th day of July, 2000, before me personally appeared Jerry C. Hayden and Susan J. Hayden, to me known to be the individuals described in, and who executed the foregoing instrument, and acknowledged that he/she/they executed the same.

[Handwritten Signature]
Benjamin E. Schaller

Notary Public
I am a resident of MARSHALL IN

County, Indiana

My Commission Expires:

August 24, 2006

After recording, return to: Mr. Benjamin Schaller, Telmark.LLC, 2621 15th Road, Bourbon, Indiana 46504

This instrument prepared by: Rebecca A. Richardson, attorney-at-law.

