

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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2000 SEP 29 AM 9:47

MORRIS W. CARTER
RECORDER

MORTGAGE
(Commercial Building Lease)

Date: September 19, 2000

C 420003820

© Chicago Tide Insurance Company

MORTGAGOR: Kershaw Canyon, LLC, a Nevada Limited Liability Company, whose address is PO Box 13438, Las Vegas, NV 89112.

MORTGAGEE: TELMARK LLC, a Delaware 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 mortgages and warrants to the Mortgagee the Property described in this Mortgage. Mortgagor can lose the Property for failure to keep the promises in this Mortgage. This Mortgage creates a legally enforceable lien upon the Property.

OBLIGATION SECURED BY MORTGAGE

2. This Mortgage secures all the Mortgagor's obligations under a Lease Agreement dated September 19, 2000 (the "Lease") between Mortgagor and the Mortgagee, calling for Lease payments totaling \$249,120.00. The date the final payment is due under the Lease is September 28, 2008. 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 Mortgagor and obligations to Mortgagee that may be incurred by 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 \$249,120.00, such maximum amount being stated herein pursuant to and in accordance with Indiana Code 832-8-11-9 and not being a commitment by Mortgagee to make or permit 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 \$249,120.00.

17.00
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C.7.

PROPERTY MORTGAGED

3. The Property mortgaged (the "Property") by the Mortgagor to the Mortgagee is the real estate described below, and all buildings and improvements now or hereafter located thereon:

Lot 18 in Griffith Industrial Park to the Town of Griffith, as per plat thereof, recorded in Plat Book 49 page 122, in the Office of the Recorder of Lake County, Indiana.
Common Address: 219 S. Lindberg, Griffith, Indiana 46319

PAYMENT

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

INSURANCE

5. 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.

6. 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

7. 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 the 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

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

OIL AND HAZARDOUS MATERIALS

9. 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

10. 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

11. 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

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

TITLE

13. Mortgagor warrants the title to the Property.

DEFAULT WHEN FULL AMOUNT OF OBLIGATION DUE IMMEDIATELY

14. 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: (a) Mortgagor fails to make any payment required by the Lease; (b) 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 (c) Mortgagor transfers the Property, or any part of it, voluntarily, involuntarily or by operation of law without the prior written consent of the Mortgagee.

SALE

15. If Mortgagor defaults under this Mortgage, Mortgagee may obtain a judicial decree foreclosing Mortgagor's interest in any or all of the Property, and to have the 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 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 Mortgagor 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.

RECEIVER

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

PAYMENT OF RENT AND EVICTION AFTER DEFAULT

17. 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

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

NOTICES

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

ATTORNEY FEES

20. 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

21. 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.

ASSIGNMENT

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

NO ORAL CHANGES

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



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

MORTGAGOR:

Name: [Signature]
Printed: Kershaw Canyon, LLC
By: Phillip W. Regeski, Manager

Name: _____
Printed: _____

Document is NOT OFFICIAL!

This Document is the property of the Lake County Recorder!

STATE OF INDIANA

COUNTY OF Lake

On the 19th day of September, 2000, before me personally appeared Phillip W. Regeski to me known to be the individuals described in, and who executed the foregoing instrument, and acknowledged that he/she/they executed the same. in his capacity as Manager of Kershaw Canyon, LLC.

[Signature]
Barbara Regeski, Notary Public
Resident of Lake County, Indiana.
My Commission Expires: 4/4/2008

After recording, return to: Jack D. Cripe, Telmark LLC, 511 West Union Street, Ligonier, IN 46767

This instrument prepared by: Jack D. Cripe, Telmark LLC, 511 West Union Street, Ligonier, IN 46767.

