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**MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND
LEASES**

(maximum principal indebtedness secured not to exceed \$9,017,373)

2005 02 17 09

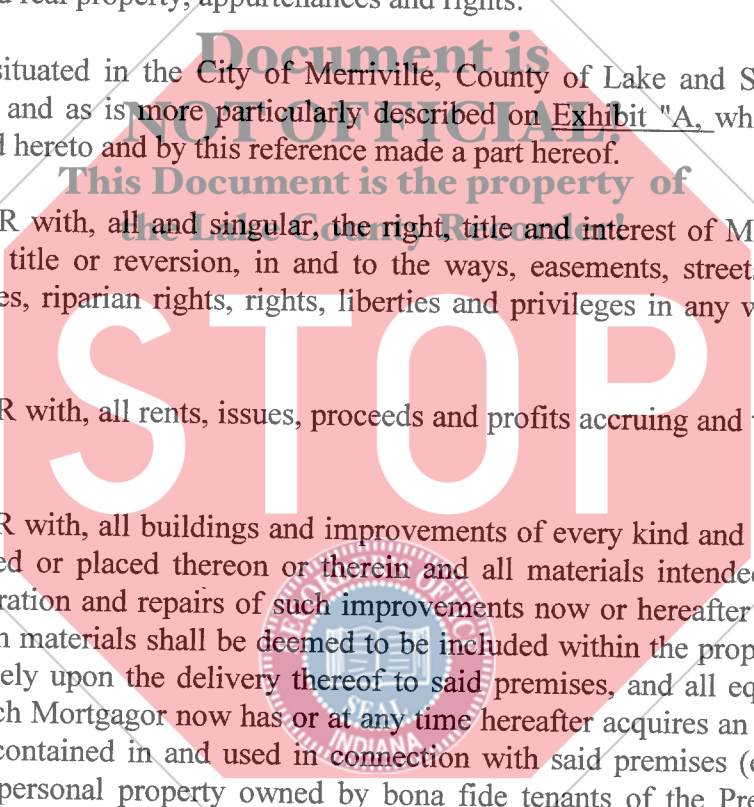
KNOW ALL MEN BY THESE PRESENTS: **GOODWILL INDUSTRIES OF MICHIANA, INC.**, an Indiana not for profit corporation (hereinafter referred to as "Mortgagor"), whose address is 1805 Western Avenue, South Bend, Indiana 46519, for and in consideration of the issuance by **NATIONAL CITY BANK OF INDIANA**, a national banking association, having its principal place of business located at 310 West McKinley Avenue, Mishawaka, Indiana 46545, (hereinafter referred to as "Bank") of (i) its Irrevocable Letter of Credit No. **RCL010350** for the benefit of the holders of \$7,000,000 of Indiana Development Finance Authority Variable Rate Economic Development Revenue Bonds, Series 2005 (Goodwill Industries of Michiana, Inc. Project) and (ii) its Irrevocable Letter of Credit No. **RIN044011** for the benefit of the holders of \$2,000,000 of City of South Bend, Indiana Variable Rate Economic Development Revenue Bonds, Series 2001 (Goodwill Industries of Michiana, Inc. Project) (collectively, the "Bonds") for the account of Mortgagor, mortgages and warrants, and does give, grant, bargain, sell, assign and convey unto Bank, its successors and assigns, the following described real property, appurtenances and rights:

Being situated in the City of Merrville, County of Lake and State of Indiana and as is more particularly described on Exhibit "A", which are attached hereto and by this reference made a part hereof.

TOGETHER with, all and singular, the right, title and interest of Mortgagor, including any after acquired title or reversion, in and to the ways, easements, streets, alleys, passages, water, water courses, riparian rights, rights, liberties and privileges in any way appertaining to said premises; and

TOGETHER with, all rents, issues, proceeds and profits accruing and to accrue from said premises;

TOGETHER with, all buildings and improvements of every kind and description now or hereafter constructed or placed thereon or therein and all materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon or therein, all of which materials shall be deemed to be included within the property subject to this mortgage immediately upon the delivery thereof to said premises, and all equipment, furniture and fixtures in which Mortgagor now has or at any time hereafter acquires an interest and which are attached to or contained in and used in connection with said premises (excluding (i) trade fixtures and other personal property owned by bona fide tenants of the Premises and (ii) all equipment, furniture and fixtures of Mortgagor that are subject to a lease or security interest securing indebtedness incurred to acquire the same, if the terms thereof prohibit the creation or existence of any other lien or security interest in such equipment, furniture and fixtures), and all renewals or replacements thereof or articles in substitution therefore, whether or not the same are



STATE OF INDIANA
LAKE COUNTY
SOUTH BEND

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or shall be attached to said buildings in any manner; it being mutually agreed that all the aforesaid property owned by Mortgagor and placed by it on said premises shall, so far as permitted by law, be deemed to be fixtures and a part of the realty, security for the said indebtedness and covered by this mortgage, and as to the balance of the property aforesaid, this mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest in said property, securing the said indebtedness, for the benefit of Bank; and

TOGETHER with, all right, title and interest now owned or hereafter acquired by Mortgagor in and to any leases of any kind or nature, used in connection with said premises; and

TOGETHER with, all awards and other compensation heretofore or hereafter to be made to the present and all subsequent owners of the property subject to this mortgage for any taking by eminent domain, either permanent or temporary, of all or any part of property or any easement or appurtenance thereof, including severance and consequential damage and change in grade of streets, which awards and compensation are hereby assigned to Bank.

The property above mentioned is referred to as "the Premises" to the extent the same is realty, and as "the Collateral" to the extent the same is personalty. The Premises and the Collateral are collectively referred to as "Mortgaged Property", except where the reference is to the Premises or the Collateral specifically.

TO HAVE AND TO HOLD the above described Mortgaged Property, with the appurtenances thereunto belonging, unto Bank, its successors and assigns, whatsoever, against all lawful claims and demands whatsoever, except for Permitted Encumbrances, if any, as set out on Exhibit B attached hereto.

Mortgagor hereby represents to Bank, its successors and assigns, that at and until the ensealing of these presents, Mortgagor is the owner of the Premises and has good right to bargain, sell and convey the same in manner and form as above written, and that Mortgagor does covenant and will defend the same to Bank, its successors and assigns, forever, against the lawful claims and demands of all persons; and Mortgagor will execute, acknowledge and deliver any further assurances as may be necessary or required hereto to evidence or confirm the interest in the premises granted hereby.

THE CONDITION OF THIS MORTGAGE IS, Whereas, Mortgagor and Bank have entered into Reimbursement Agreements dated as of January 1, 2001 and March 1, 2005 respectively (the "Agreements") whereby Bank has issued or will issue Letters of Credit and Mortgagor will be obligated to reimburse Bank for all amounts drawn for the account of Mortgagor under the Letters of Credit, to pay to Bank certain fees and expenses relating to the issuance and maintenance of the Letters of Credit and the payment of drawings thereunder, and to pay to Bank interest on certain amounts paid under the Letters of Credit and not immediately reimbursed to Bank; and

Whereas Mortgagor has executed and delivered this mortgage for the purpose of securing the performance of the covenants and Agreements contained herein and in the Agreements and in any other Agreement made with respect to the obligations secured hereby, and to secure the payment when due of:

(a) the unpaid balances of any advances made this date, or subsequent to recordation hereof, under or in connection with the Agreement and all other liabilities and indebtedness of Mortgagor to Bank, direct or contingent, now or hereafter owing by Mortgagor to Bank under or in connection with the Agreement to the extent that the total unpaid indebtedness secured hereby, exclusive of the interest thereon, does not exceed the maximum amount specified in this mortgage which is nine million seventeen thousand three hundred seventy three and No/100ths dollars (\$9,017,373);

(b) all sums expended or advanced by Bank pursuant to any term or provision of this mortgage, the Agreement, or to any other Agreement delivered in connection with this transaction; and

(c) all unpaid advances of Bank with respect to the Mortgaged Property for the payment of taxes, assessments, insurance premiums or costs incurred in the protection or operation of the Mortgaged Property as provided under Indiana law.

(d) any and all obligations and liabilities of Borrower to National City Bank, an affiliate of Bank, whether absolute or contingent, whether now existing or hereafter created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefore) under (a) any agreement, device or arrangement designed to protect Borrower from fluctuations of interest rates, exchange rates or forward rates, including, but not limited to, dollar-denominated or cross-currency exchange agreements, forward currency exchange agreements, interest rate caps, collars or floors, forward rate currency or interest rate options, puts, warrants, swaps, swaptions, U.S. Treasury locks and U.S. Treasury options, (b) any other interest rate hedging transactions, such as, but not limited to, managing the Borrower's interest rate risk associated with any pending or potential capital market transactions such as fixed rate bond issues and (c) any and all cancellations, buybacks, reversals, terminations or assignments of any of the foregoing.

AND WHEREAS, Mortgagor further covenants and agrees as follows:

1. To pay promptly to Bank, all advances made by Bank under the Letters of Credit at the time and in the manner as in the Agreement provided.

2. In order more fully to protect the security of this mortgage, to pay to Bank, if so required by Bank but only in the event Mortgagor is in default (and has not cured any such default within any applicable grace period) hereunder or under the Agreement or any other

instrument executed and delivered by Mortgagor in connection herewith, in addition to any payments required under the terms of the Agreement secured hereby until the Mortgagor's reimbursement obligations are fully paid, the following sums:

(a) a sum equal to taxes and assessments, both general and special, next due upon the Mortgaged Property;

(b) the premiums that will next become due and payable on policies of insurance covering the Mortgaged Property and required under the provisions hereof.

Sums due for taxes and insurance premiums shall, if required by Bank, be paid monthly, on the first day of each month, in amounts equal to one-twelfth (1/12) of the amount payable annually for such items as determined by Bank, such sums to be held by Bank in trust, but without interest accruing thereon, to pay each of the particular items.

3. To keep the Mortgaged Property free from statutory liens of every kind except current taxes and assessments not yet due and payable; to pay, before delinquency and before any penalty for nonpayment attaches thereto, all taxes, assessments, and other governmental or municipal or public dues, charges, fines or impositions which are or may be levied against the Mortgaged Property or any part thereof provided, however, that Mortgagor shall have the right to contest the payment of such items to the full extent provided in the Agreement. Except when payment for all such items has theretofore been made under paragraph 2 hereof, to timely deliver to Bank receipted bills evidencing payment therefore.

4. To keep the improvements now existing or hereafter erected on or in the Premises described by this mortgage insured as may be required from time to time by Bank against loss or damage by, or abatement of rental income resulting from, fire, flood, and such other hazards, casualties and contingencies for such periods as may be required by Bank and in an amount not less than 100% of the full replacement cost thereof from time to time, or the amount necessary to prevent the operation of any coinsurance provision contained in any policy of such insurance, whichever is greater. Mortgagor agrees to pay promptly when due any premiums on such insurance and further agrees, if requested by Bank, to furnish a certificate from the company carrying such insurance acknowledging that such insurance is adequate in an amount to prevent the operation of any coinsurance provision contained therein. All such insurance shall be carried in companies approved by Bank and the policies and renewals thereof shall be deposited with and held by Bank and have attached thereto standard noncontributing mortgagee clauses (in favor of and entitling Bank to collect any and all proceeds payable under all such insurance), as well as standard waiver of subrogation endorsement, all to be in form acceptable to Bank. Mortgagor hereby authorizes Bank, at its option, to collect, adjust and compromise any losses under any of the insurance aforesaid; provided, however, that so long as Mortgagor shall not be in default under this Mortgage, Mortgagor shall be entitled to adjust or compromise any such losses, with the written approval of Bank as to the amount thereof, which approval shall not be unreasonably withheld or delayed. After deducting costs of collection, Bank shall be entitled to apply the

proceeds, at its option, as follows: (a) a credit upon any portion, as selected by Bank, of the indebtedness secured hereby; or (b) restoring the improvements, in which event the Bank shall not be obligated to see to the proper application thereof nor shall the amount so released or used be deemed a payment on any indebtedness secured hereby; or (c) so deliver same to the Mortgagor, in which case the Mortgagor shall cause the Bonds to be redeemed in accordance with the Indenture at least equal in face amount to the amount so paid to Mortgagor.

Notwithstanding any provision herein to the contrary, in the event of any such loss or damage as herein described to the improvements in or on the Premises, it is hereby understood, covenanted and agreed that Bank shall make the proceeds received under any such insurance policies as herein described available for the restoration of the improvements so damaged, periodically during the progress of such restoration, subject to the following conditions; (a) Mortgagor is not then in default under any of the terms, covenants and conditions of this Mortgage Deed or any other instrument executed in connection with or to additionally secure the indebtedness evidenced by the Agreement; (b) Bank shall first be given satisfactory proof, in accordance with the plans and specifications therefor previously approved by Bank, that such improvements have been fully restored, or by the expenditures of such money will be fully restored, free and clear of all mechanic's and materialman's liens; (c) in the event such proceeds shall be insufficient to restore or rebuild the said improvements, Mortgagor shall deposit promptly with Bank, or provide evidence satisfactory to Bank of the availability of, funds which, together with the insurance proceeds, shall be sufficient to restore and rebuild the improvements on or in said Premises; and (d) the excess of said insurance proceeds above the amount necessary to complete such restoration shall be applied as hereinbefore provided, at the option of Bank. Upon no circumstances shall Bank become obligated to take any action to restore the improvements so damaged.

In the event of foreclosure of this mortgage, or other transfer of title to the Mortgaged Property in lieu of foreclosure, all right, title and interest of Mortgagor in and to any insurance proceeds and in and to any insurance policies (to the extent assignable without naming the purchaser or grantee as a named insured) then in force shall pass to the purchaser or grantee thereof.

5. If any action shall be commenced or any written notice shall be received for the taking by exercise of the power of eminent domain of title to or the temporary use of the Mortgaged Property, or any part thereof, the Mortgagor will promptly give written notice thereof to the Bank describing the nature and extent of the proposed taking. Any proceeds received from any award made in such eminent domain proceedings (or conveyance in lieu thereof) shall, if received prior to the release and discharge of this Mortgage, be made available to Mortgagor in the same manner and under the same conditions as insurance proceeds and paragraph 4 hereof.

6. That no building or other improvement on or in the Premises shall be structurally or materially altered, removed or demolished, nor shall any fixtures on, in or about the said buildings or improvements be severed, removed, sold or mortgaged, in excess of \$50,000 in the

aggregate, without the consent of Bank, which consent shall not be unreasonably withheld or delayed, except to the extent permitted by the Agreement. In the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, the same shall be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition as those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto.

7. To permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Property or any part thereof; to keep and maintain the Mortgaged Property and every part thereof with buildings, fixtures, machinery and appurtenances in good repair and condition; to effect such repairs as Bank may reasonably require and from time to time make all needful and proper replacements so that said buildings, fixtures, machinery and appurtenances will, at all times, be in good condition, fit and proper for the respective purposes for which they were erected or installed; to comply with all statutes, orders, requirements or decrees relating to the Mortgaged Property by any federal, state or municipal authority to the extent necessary to avoid any violations thereof, except that Mortgagor shall be permitted to contest compliance therewith to the full extent provided in the Agreement; and to permit Bank or its agents, at all reasonable times, to enter upon and inspect the Mortgaged Property.

8. That Mortgagor will not cause or permit any toxic or hazardous substance or waste, or underground storage tanks, or any other pollutants which could be detrimental to the Mortgaged Property, human health, or the environment, or that would violate any local, state or federal laws or regulations (collectively, "Environmental Conditions") to be present on or affect the Mortgaged Property. Mortgagor agrees to indemnify, defend and save Bank, its successors and assigns, harmless, from and against any of the following which may result from the existence of any Environmental Conditions at the Mortgaged Property; (a) any liability, loss, cost, damage or expense (including, without limitation, attorneys' fees and expenses) arising from the imposition or recording of a lien, the incurrence of any clean-up and removal costs under any hazardous waste, environmental protection, spill compensation, clean air and water, or other local, state or federal law or regulation (collectively, the "Environmental Laws") with respect to the Mortgaged Property, or liability to any third party in connection with any violation of any Environmental Laws or other action by Mortgagor or its agents, (b) any loss of value in the Mortgaged Property as a result of any such lien, clean-up and removal costs, and (c) any liability, loss, cost, damage or expense arising from any failure or defect in title occasioned by any of the applicable Environmental Laws. Mortgagor shall, at all times comply with, and cause all occupants of the Mortgaged Property to comply with, all applicable Environmental Laws. Mortgagor agrees that Mortgagor's indemnification of Bank as set out above in this paragraph 8 shall survive the release of this mortgage and remain in effect notwithstanding the payment in full of the note and any other indebtedness secured hereby.

9. That, unless approval therefore is first obtained in writing from Bank, which approval shall not be unreasonably withheld or delayed, Mortgagor will not voluntarily create or permit to be created or filed against the Mortgaged Property any mortgage lien or other lien or

liens inferior or superior to the lien of this Mortgage other than the liens of non-delinquent taxes and assessments, purchase money security interest liens incurred in connection with the acquisition of equipment, furniture and fixtures, liens in favor of the Bank and Permitted Encumbrances, or if filed, will have same discharged of record either by payment, the bonding thereof or other lawful means for discharging any such lien, within sixty (60) days after notice of filing, and further, Mortgagor will keep and maintain the same free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings and improvements now being constructed or which hereafter may be constructed on or in the Premises, notwithstanding by whom such labor or materials may have been contracted. In the event Bank consents to any lien inferior to the lien of this mortgage, any default in the performance or observance of the terms and conditions contained in the instrument creating or extending such lien shall be a default hereunder if such default is a payment default not cured within the applicable grace period, if any, or, if not a payment default, such default results in the acceleration of the debt secured thereby.

10. . To save Bank harmless from all loss, cost and expense, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body (excepting an action to foreclose or to collect the debt secured hereby) wherein proof of claim is required to be filed or in which it becomes necessary to defend or uphold the terms of and the lien created by this mortgage. All money paid or expended by Bank in that regard, together with interest thereon from date of such payment at the then applicable rate under the Agreement, shall be so much additional indebtedness secured hereby and shall be immediately and without notice due and payable to Bank.

11. That Mortgagor will at all times promptly and faithfully keep and perform, or cause to be kept and performed, all covenants and conditions contained in any easement agreements, party wall agreements, deeds or other instruments, which in any way affect the Mortgaged Property and are to be kept and performed by Mortgagor provided that Mortgagor shall be permitted to contest performance thereof to the full extent provided in the Agreement, and Mortgagor further covenants that it will not do or permit anything to be done under such instruments, the doing of which, or refrain from doing anything, the omission of which, will impair or tend to impair the security of this mortgage.

12. That nothing herein contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, to require Mortgagor to make any payment or do any act contrary to law, but if any clause and provision herein contained shall otherwise so operate to invalidate this mortgage in whole or in part then such clauses and provisions only shall be held for naught as though not herein contained and the remainder of this mortgage shall remain operative and in full force and effect.

13. That the Bank is to approve any disbursement to Mortgagor from the Project Fund established under the Trust Indenture between the Indiana Development Finance Authority and U.S. Bank National Association, as Trustee, dated as of February 1, 2005, in connection with the

Bonds, definite and certain sums under definite conditions, in a particular manner, and at the time and upon the conditions set forth therein, the total of which sums at any one time outstanding, exclusive of interest thereon, shall not exceed the maximum amount secured hereby.

14. That this mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest securing the indebtedness secured hereby in and to the Collateral and any other indebtedness hereinafter due from Mortgagor to Bank.

Mortgagor authorizes Bank to file, in the jurisdiction where this mortgage will be given effect, financing statements covering the Collateral and at the request of Bank, Mortgagor will join Bank in executing one or more such financing statements pursuant to the Uniform Commercial Code in a form satisfactory to Bank, and will pay the cost of filing the same or filing or recording this instrument, as a financing statement, in all public offices at any time and from time to time wherever Bank deems filing or recording of any financing statements or of this instrument to be desirable or necessary.

Mortgagor within five (5) days upon request by mail shall execute, acknowledge and deliver to Bank a security Agreement or other similar instrument in form satisfactory to Bank, covering all property, of any kind whatsoever owned by Mortgagor, which, in the sole opinion of Bank is essential to the operation of the Mortgaged Property and concerning which there may be any doubt as to its being subject to the lien of this mortgage under the laws of the State of Indiana, and shall further execute, acknowledge and deliver any financing statement, affidavit, continuation statement or certificate or other document as Bank may request in order to protect, preserve, maintain, continue and extend the security interest under and the priority of such security Agreement or other instrument. Mortgagor further agrees to pay to Bank on demand all costs and expenses incurred by Bank in connection with the preparation, execution, recording and filing of any such documents.

15. That the occurrence of any one or more of the following events shall be an event of default hereunder:

(a) an "Event of Default" under the Agreement; or

(b) failure by Mortgagor to perform or observe any of the terms, covenants or conditions herein contained and the continuation of such failure for a period of thirty (30) or more days after the giving of written notice thereof by Bank to Mortgagor, provided that if such failure cannot be cured by the payment of monies and cannot reasonably be cured within thirty (30) days, Mortgagor shall have a reasonable time to effect a cure, if curative action is commenced within said thirty (30) day period and is thereafter pursued diligently and in good faith to completion; or

(c) unless otherwise provided in the Agreement if, without Bank's prior written consent, Mortgagor should hereafter deed, quitclaim, assign, convey, transfer, sell,

sell under contract of sale, land contract, lease with option to purchase, dispose of or further encumber the Mortgaged Property, or any part thereof, or any interest therein, or agree to do so, or such shall occur by any means, voluntary or involuntary, by operation of law or otherwise, or if the controlling interest in Mortgagor is transferred by sale, assignment, pledge or other transfer. Failure of Bank to give such prior written consent or to exercise the aforesaid option provided for in this paragraph shall not be deemed a waiver of its right to exercise the option at any other time during which Mortgagor is in default under the terms of this paragraph. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

16. Upon the occurrence of any event of default hereunder which shall not have been cured within the grace period, if any, applicable thereto, Bank may, at its option, exercise any or all or any combination of the rights, powers and remedies conferred upon or reserved to it under this Mortgage, the Agreement or any other instrument supplemental or collateral thereto, or executed and delivered in connection therewith, now or hereafter existing at law, in equity or by statute including, without limitation, the following:

- (a) perform any such term, covenant or condition which Mortgagor has failed to perform or observe without waiver of any other remedy, and any amount paid or advanced by Bank in connection therewith, or any other costs, charges or expenses incurred in the protection or operation of the Mortgaged Property and the maintenance of this lien with interest thereon at the then applicable rate under the Reimbursement Agreement shall be repayable by Mortgagor upon demand, shall be a lien upon the Mortgaged Property prior to any right or title to, interest in or claim thereon attaching or accruing subsequent to the lien of this mortgage and shall be deemed to be included in and secured by this mortgage; or
- (b) proceed at law or in equity to collect the entire indebtedness secured hereby and/or proceed to foreclose this mortgage as against all or any part of the Mortgaged Property or otherwise pursue any other right or remedy herein or by law provided; or
- (c) the Bank may exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code as adopted in the State of Indiana.

17. That Bank, in any suit to foreclose this mortgage, shall be entitled to the appointment of a receiver of the rents, leases and profits of the Mortgaged Property as a matter of right and without notice, with power to manage and operate the Mortgaged Property, to collect the rents, issues and profits of the Mortgaged Property due and to become due during the pendency of such foreclosure suit to and including the date of confirmation of the sale under such foreclosure and during the redemption period, if any, after such confirmation, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by this mortgage without regard to the value of the Mortgaged Property or

the solvency of any person or persons liable for the payment of the mortgage indebtedness, and regardless of whether Bank has an adequate remedy at law. Mortgagor for itself and any subsequent owner hereby waives any and all defenses to the application for a receiver and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provision for the appointment of a receiver and the assignment of such rents, issues and profits is made an express condition upon which the loan hereby secured is made. The rights and remedies herein provided for shall be deemed to be cumulative and in addition to, and not in limitation of, those provided by law.

18. That failure of Bank to exercise the option for acceleration of maturity and/or foreclosure following any event of default as aforesaid or to exercise any other option granted to Bank hereunder in any one or more instances, or the acceptance by Bank of partial payments hereunder shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Bank may, at the option of Bank, be rescinded by written acknowledgment to that effect by Bank, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity, nor extend or affect the grace period, if any.

19. That the mailing of a written notice or demand, addressed to the owner of record of the Mortgaged Property, directed to the owner at 1805 Western Avenue, South Bend, Indiana 46519 Attn: President, or at the last address actually furnished to Bank and mailed by United States mail, certified or registered, return receipt requested, shall be sufficient notice and demand in any case arising under this instrument and required by the provisions hereof or by law.

20. That all the covenants hereof shall run with the land.

PROVIDED, ALWAYS, NEVERTHELESS, if Mortgagor shall pay all of said indebtedness and shall fully keep and perform all of the terms, covenants and conditions by Mortgagor to be kept and performed herein and in the Agreement contained, then this mortgage shall be void and shall be released by Bank, at the cost and expense of Mortgagor; otherwise this mortgage is to be and shall remain in full force and effect.

ALL OF THE COVENANTS herein contained are joint and several and shall also bind, and the benefits and advantages thereof shall also inure, to the respective heirs, executors, administrators, successors and permitted assigns of the parties. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, this Mortgage Deed has been executed in South Bend, Indiana as of the 1st day of March 2005.

GOODWILL INDUSTRIES OF MICHIANA, INC.

By *J. Larry Neff*
Name: J. Larry Neff
Title: President and CEO

STATE OF INDIANA)
) SS.
ST. JOSEPH COUNTY)

BEFORE ME, a Notary Public in and for said County and State, personally appeared J. Larry Neff as President & CEO of the above company who acknowledged that he did sign the foregoing instrument for and on behalf of said company, by the authority of its Trustees and that the same is the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 10th day of March 2005.

St. Joseph County
Expires: 5/27/09

Clizabeth S. Whiteleg
Notary Public

This instrument was prepared by Charles H. Spain, Jr., Esq., National City Corporation, 1900 East Ninth Street, Cleveland, Ohio 44114.

After Filing Return To:
Timothy Miller
Vice President
National City Bank of Indiana
101 North Main Street
Elkhart, Indiana 46516

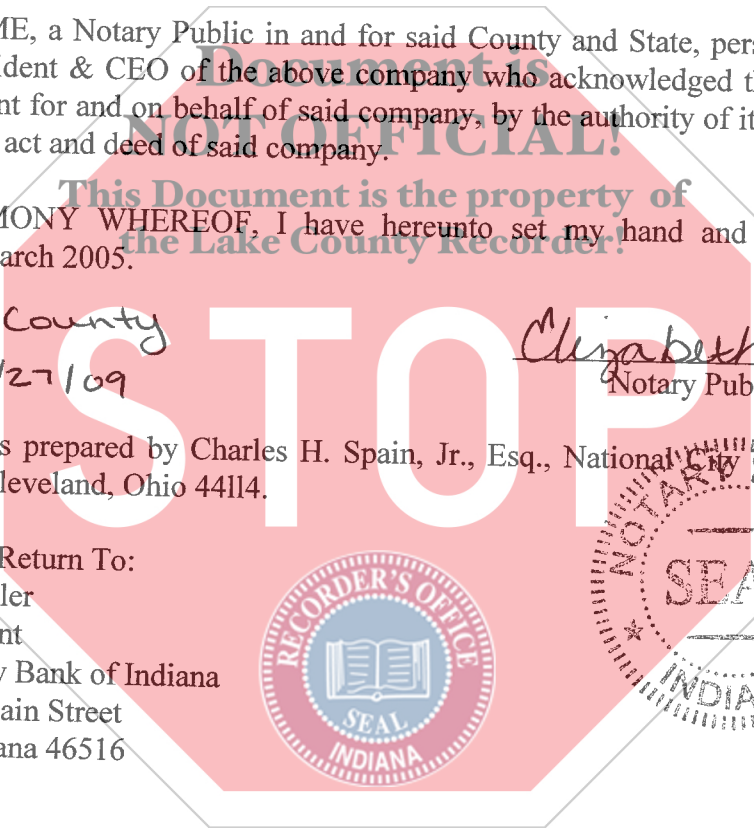


Exhibit "A"

Parcel I: Lot Numbered 7 as shown on the recorded plat of Twin Acres Phase One, recorded in Plat Book 87, page 72 in the Office of the Recorder of Lake County, Indiana.

Parcel II: Non-exclusive rights and benefits as set forth and created in Covenants, Conditions and Restrictions, dated February 6, 2003, recorded February 11, 2003 as Instrument No. 2003-015015.



PERMITTED ENCUMBRANCES

EXHIBIT B

Encumbrances set forth in Schedule B to the Title Commitment

Encumbrances in favor of National City Bank of Indiana or any affiliate thereof.

