

FILED FOR RECORD

2005 000053

2005 JAN 24 AM 10:48

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
 Rita Aybar-Townsend 214/758-6632

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
 Patton Boggs LLP
 2001 Ross Avenue
 Suite 3000
 Dallas, TX 75201

CT Lien Ref #: 286579
 Filed with: IN:Lake

see on size attachments

MICHAEL A. BROWN
FINANCIAL

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1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME K2 Industrial Services, Inc.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS 5233 Hohman Ave. CITY Hammond STATE IN POSTAL CODE 46320 COUNTRY US

1d. TAX ID #: SSN OR EIN 27-0052245 ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION Corporation 1f. JURISDICTION OF ORGANIZATION Delaware 1g. ORGANIZATIONAL ID #, if any DE3640878 NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME CapitalSource Finance LLC

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS 4445 Willard Avenue, 12th Floor CITY Chevy Chase STATE MD POSTAL CODE 20815 COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:
 All assets of the Debtor, including, but not limited to, the property described on Exhibit A attached hereto and incorporated herein by this reference. Retention of cash proceeds by any junior lienholder or subordinate secured party violates the rights of the Secured Party identified herein.

Notice---Pursuant to agreements between the Debtor and the Secured Party, Debtor has agreed not to further encumber the Collateral identified herein, and further encumbering such Collateral in violation of such agreements will interfere with Secured Party's rights, except for purchase money security interests or other interests which are expressly contemplated by such agreements.

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

HOLD FOR MERIDIAN TITLE CORP

STATE OF ARIZONA
 CLERK OF SUPERIOR COURT
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 MICHAEL A. BROWN
 REC'D

UCC FINANCING STATEMENT ADDENDUM 0005 000053

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME **K2 Industrial Services, Inc.**

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

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11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 11e. TYPE OF ORGANIZATION 11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:
 See Exhibit A attached hereto and incorporated herein by this reference.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.
 Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction — effective 30 years
 Filed in connection with a Public-Finance Transaction — effective 30 years

EXHIBIT A

PARCEL 1:

Part of Lots 1,2,3 and 40, and that part of the vacated alley lying between said lots in Latham's Addition to the City of Hammond, as per plat thereof, recorded in Plat Book 1 page 44, more particularly described as follows: Commencing at a point on the West line of said original Lot 1 at a point 9 feet Northerly of the Southwest corner of said Lot 1, said point found to be 204.05 feet Southwesterly of the South line of Fayette Street as occupied on March 19, 1963; thence Southeasterly on a line that is parallel to and 9 feet Northeasterly of the North line of the lot identified as the George M. Eder lot in the legal survey recorded in Surveyor's Book 4, page 92, in the Surveyor's Office, Lake county, Indiana, a distance of 193.2 feet more or less to the West line of an existing and occupied 14 foot wide alley, this said 193.2 foot line is also the North line of said 9 foot wide strip of land described in Deed Record 591 pate 291; thence Northerly on the Westerly line of said 14 foot wide alley, which is a line parallel to and 14 feet Westerly of the Easterly line of said Lot 40, a distance of 120.43 feet; thence Northwesterly along a straight line a distance of 193.2 feet more or less to a point on the West line of said Lot 1, which point is 82.69 feet Southwesterly of the South line of Fayette Street as occupied on March 19, 1963 and 130.36 feet Northeasterly from the Southwest corner of said Lot 1, thence Southwesterly on the Westerly line of said Lot 1, a distance of 121.36 feet to the place of beginning, excepting therefrom the Southwesterly 56.02 feet thereof, in Lake County, Indiana.

PARCEL 2:

Right to have the building overlap and encroach and rest for the benefit of parcel 1, created in the Agreement Permitting Encroachment, dated June 6, 1984, and recorded June 24, 1984, as Document No. 765975, made by and between Northern Indiana Public Service Company, an Indiana corporation, and Calumet National Bank, a national banking association, on the land as described therein.

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STATE OF INDIANA
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