

18-1-A

MORTGAGE

GRANTOR(S)

WILFORD J. HUBBELL

2007 045990

2007-04-11-08

LENDER

SCOTT KRAUSE

BORROWER(S)

WILFORD J. HUBBELL

1. GRANT. For good and valuable consideration, Grantors hereby mortgage and warrant to Lender identified above, the real property described in Schedule A which is attached to this Mortgage and incorporated herein together with all future and present improvements and fixtures; privileges, hereditament, and appurtenance; leases, licenses and other agreements; rents, issues and profits, water well, ditch, reservoir and mineral rights and stocks, and standing timber and crops pertaining to the real property (cumulatively "Property").

2. OBLIGATIONS. This Mortgage shall secure the payment and performance of all of Borrowers present and future indebtedness, liabilities, obligations and covenants (cumulatively "Obligations") to Lender pursuant to:

(a) this Mortgage and the following promissory note (the "Promissory Note")

PRINCIPAL AMOUNT	INTEREST RATE	MATURITY DATE
\$6,386.28	Nine & A Quarter Percent (9.25%)	July 1, 2008

(b) all other present or future obligations of Borrowers or Grantors to Lender (whether incurred for the same or different purposes than the foregoing) which Obligations shall include but shall not be limited to Borrowers' obligation to pay all renewals, extensions, amendments, modifications or substitutions to any of the foregoing.

3. PURPOSE. This Mortgage and the Obligations herein are executed and incurred solely for the purpose of refinance or acquisition of property for business reasons.

4. FUTURE ADVANCES. This Mortgage secures the repayment of all advances that Lender may extend to Borrowers or Grantors under the Promissory Note evidencing the loan described in Paragraph Two (2) hereof. The Mortgage secures not only existing indebtedness, but also secures future advances, with interest thereon, whether such advances are obligatory or to be made at the option of Lender to the same extent as if

Metropolitan Title

\$40
MIC
CA

CR # 6315104615

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such future advances were made on the date of the execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. At the sole discretion of the Lender, the total amount of indebtedness secured by this Mortgage under the Promissory Note may increase or decrease from time to time, but the total of all such indebtedness so secured shall not exceed Two Hundred per cent (200%) of the principal amount stated in Paragraph Two (2) hereof.

5. **EXPENSES.** To the extent permitted by the Laws of the State of Indiana, this Mortgage secures the repayment of all amounts expended by Lender to perform Grantors' covenants under this Mortgage or to maintain, preserve, or dispose of the Property, including but not limited to, amounts expended for the payment of taxes, special assessments, or insurance on the Property, plus interest on the amount or amounts expended and attorneys' fees/costs if such is required.

6. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** Grantors represent, warrant and covenant to Lender that:

(a) Grantors shall maintain the Property free of all liens, security interests, encumbrances and claims except for this Mortgage.

(b) Neither Grantors nor, to the best of Grantors' knowledge, any other party has used, generated, released, discharged, stored or disposed of any unlawful quantities of any "Hazardous Materials", as defined herein, in connection with the Property or transported any Hazardous Materials to or from the Property. Grantors shall not commit or permit such actions to be taken in the future. The term "Hazardous Materials" shall mean any hazardous waste, toxic substances, or any other substance, material, or waste which is or becomes regulated by any governmental authority including, but not limited to, (I) petroleum; (ii) friable or nonfriable asbestos, (iii) polychlorinated biphenyls; (iv) those substances, materials or wastes designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act or listed pursuant to Section 307 of the Clean Water Act or any amendments or replacements to these statutes; (v) those substances, materials or wastes defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act or any amendments or replacements to that statute; and (vi) those substances, materials or wastes defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, or any amendments or replacements to that statute or any other similar statute, rule, regulation or ordinance now or hereafter in effect;

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(c) Grantors have the right and are duly authorized to execute and perform their Obligations under this Mortgage and these actions do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may be binding on Grantors at any time;

(d) No action or proceeding is or shall be pending or threatened which might materially affect the Property;

(e) Grantors have not violated and shall not violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property (including, but not limited to, those governing Hazardous Materials) or Lenders rights or interest in the Property pursuant to this Mortgage.

7. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER.

Subject to the provisions of Paragraph 29 hereof on sale or transfer to any person without either the prior written approval of Lender or repayment of the Loan, of all or any part of the Property, or any interest therein, or of all or any beneficial interest in Borrower or Grantor (if Borrower or Grantor is not a natural person but is a corporation, partnership, trust, or other legal entity), Lender may, at Lender's option declare the sums secured by this Mortgage to be immediately due and payable, and Lender may invoke any remedies permitted by the Promissory Note or other agreement of even date herewith or by this Mortgage, unless otherwise prohibited by Federal or Indiana Law.

8. INQUIRES AND NOTIFICATION TO THIRD PARTIES. Grantors and Borrowers hereby authorize Lender to contact any third party and make any inquiry pertaining to Grantors' and/or Borrowers' financial condition, or the condition of the Property. In addition, Lender is authorized to provide oral or written notice of its interest in the Property to any third party.


9. INTERFERENCE WITH LEASES AND OTHER AGREEMENTS. Grantors shall not take or fail to take any action which may cause or permit the termination or the withholding of any payment in connection with any lease or other agreement ("Agreement") pertaining to the Property. In addition, Grantors, without Lender's prior written consent, shall not; (a) collect any monies payable under any Agreement more than one month in advance; (b) except as required in the ordinary course of Grantors' business modify any Agreement; (c) assign or allow a lien, security interest or other encumbrance to be placed upon Grantors rights, title and interest in and to any Agreement or the amounts payable thereunder; or (d) terminate or cancel any Agreement except for the nonpayment of any sum or other material breach by the other party thereto. If Grantors receive at any time any written communication asserting a default by Grantors under a Agreement or purporting to terminate or cancel any Agreement, Grantors shall promptly forward a copy of such communication (and any subsequent communications relating thereto) to Lender.

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act or omission of Grantors or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Property. In the event Grantors fail to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Property and the insurance cost shall be an advance payable and bearing interest as described in Paragraph Twenty Five (25) hereof and secured hereby. Grantors shall furnish Lender with evidence of insurance indicating the required coverage. **The requirement of the preceding sentence may be satisfied only with the actual Policy accompanied by proof of premium payment in form and substance acceptable to Lender.** Lender may act as attorney-in-fact for Grantors in making and settling claims under insurance policies, canceling any policy or endorsing Grantors' name on any draft or negotiable instrument drawn by any insurer. All such insurance policies shall be constantly assigned, pledged and delivered to Lender for further securing the Obligations. In the event of loss, Grantors shall immediately give Lender written notice and Lender is authorized to make proof of loss. Each insurance company is directed to make payments directly to Lender instead of to Lender and Grantors. In the event Grantors and/or Borrowers are in default in any of their Obligations or other requirements to be performed by them, Lender shall have the right, at its sole option, to apply such monies toward the Obligations or toward the cost of rebuilding and restoring the Property. Any amount applied against the Obligations shall be applied in the inverse order of the due dates thereof. In any event Grantors shall be obligated to rebuild and restore the Property, Lender may, at any time, regardless of any other provision to the contrary, take possession of the insurance proceeds and disburse same to Grantors or Borrowers for the purpose of rebuilding or restoration. Lender shall disburse said monies as if the disbursement was being made pursuant to a Construction Loan. Borrowers shall provide Lender with sufficient and acceptable evidence that the insurance proceeds will be sufficient to fully rebuild or restore the Property. In the event the insurance proceeds are not sufficient Borrowers shall deposit the difference between the insurance proceeds and the amount required to restore or rebuild with Lender. Lender shall then disburse the total on deposit for the purpose of restoration or rebuilding. All disbursements shall be made by and through a Construction Loan Escrow established at a Title Company of Lenders choice.

14. ZONING AND PRIVATE COVENANTS. Grantors shall not initiate or consent to any change in the zoning provisions or private covenants affecting the use of the Property without Lender's prior written consent. If Grantors' use of the Property becomes a nonconforming use under any zoning provision, Grantors shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Grantors will immediately provide Lender with written notice of any proposed changes to the zoning provisions or private covenants affecting the Property.

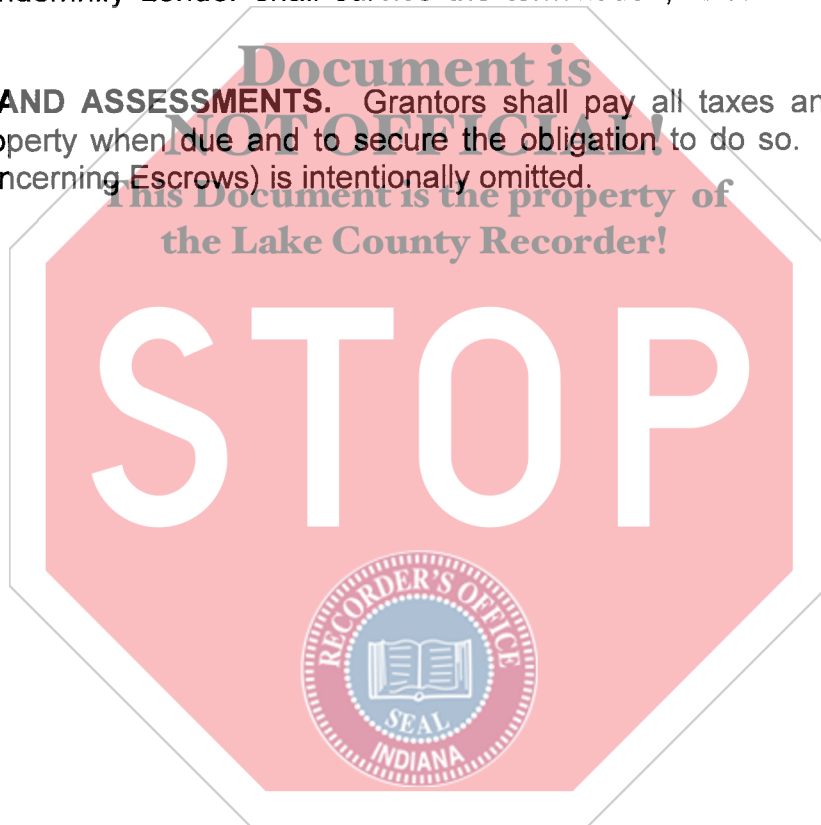
15. CONDEMNATION. Grantors shall immediately provide Lender with written notice of any actual or threatened condemnation or eminent domain proceeding pertaining to the Property. All monies payable to Grantors from such condemnation or taking are hereby assigned to Lender and shall be applied first to the payment of Lender's attorneys' fees, legal expenses and other costs (including appraisal fees) in connection with the condemnation or eminent domain proceedings and then to the payment of the obligations or the restoration or repair of the Property. The disbursement of said funds shall be in the manner described for distribution of insurance proceeds in Par. 13 above.

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16. **LENDER'S RIGHT TO COMMENCE OR DEFEND LEGAL ACTIONS.** Grantors shall immediately provide Lender with written notice of any actual or threatened action, suit, or other proceeding affecting the Property. Grantors hereby appoint Lender as its attorney-in-fact to commence, intervene in, and defend such actions, suits, or other legal proceedings and to compromise or settle any claim or controversy pertaining thereto. Lender shall not be liable to Grantors for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom. Nothing contained herein will prevent Lender from taking the actions described in this paragraph in its own name. Grantors shall cooperate and assist Lender in any action hereunder.

17. **INDEMNIFICATION.** Lender shall not assume or be responsible for the performance of any of Grantors' Obligations with respect to the Property under any circumstances. Grantor shall immediately provide Lender with written notice of and indemnify and hold Lender harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses) causes of action, actions, suits and other legal proceedings (cumulatively "Claims") pertaining to the Property (including, but not limited to, those involving Hazardous Materials). Grantors, upon the request of Lender, shall hire legal counsel acceptable to Lender to defend Lender from such Claims, and pay the costs incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Grantors' cost. Grantors' obligation to indemnify Lender shall survive the termination, release or foreclosure of this Mortgage.

18. **TAXES AND ASSESSMENTS.** Grantors shall pay all taxes and assessments relating to Property when due and to secure the obligation to do so. [Remainder of paragraph (concerning Escrows) is intentionally omitted.]



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designated in such request.

(d) The receipt of Lender of the purchase money paid at any such sale, or the receipt of any other person authorized to receive the same, shall be sufficient discharge therefor to any purchaser of any property or rights sold as aforesaid, and no such purchaser, or its representatives, grantees or assigns, after paying such purchase price and receiving such receipt, shall be bound to see to the application of such purchase price or any part thereof upon or for any trust or purposes of this price or any part thereof upon or for any trust or purpose of this Mortgage or, in any manner whatsoever, be answerable for any loss, misapplication or non-application of any such purchase money, or part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(e) Any such sale or sales shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Grantors and Borrowers in and to the properties and rights so sold, and shall be a perpetual bar both at law or in equity against Grantors and Borrowers and any and all persons claiming or who may claim the same, or any part thereof, by through or under Grantors and Borrowers to the fullest extent permitted by applicable law.

(f) Upon any such sale or sales, Lender may bid for and acquire the Property and, in lieu of paying cash therefore, may make settlement for the purchase price by crediting against the Obligation(s) the amount of the bid made therefor, after deducting therefrom the expenses of the sale, the cost of any enforcement proceeding hereunder and any other sums which Lender is authorized to deduct under the terms hereof, to the extent necessary to satisfy such bid.

(g) In the event that Grantors and Borrowers, or any person claiming by, through or under Grantors and Borrowers, shall transfer or refuse or fail to surrender possession of the Property after any sale thereof, then Grantors and Borrowers or such person shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of forcible entry and detainer proceedings, or subject to any other right or remedy available hereunder or under applicable law.

(h) Upon any such sale, it shall not be necessary for Lender or any public officer acting under execution or order of court to have present or constructively in its possession any of the Property.

22.03 APPLICATION OF PROCEEDS. Except as herein expressly provided to the contrary, the purchase money, proceeds or avails of any sale referred to herein, together with any other sums which may be held by Lender hereunder, shall be applied as follows:

FIRST: To the payment of the costs, and expenses of any such sale, including reasonable attorneys fees and disbursements, and of any judicial proceeding wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Lender hereunder, together with interest thereon at the Default Rate, and all taxes, assessments and other charges, except any taxes, assessments or other charges subject to which the Property shall have been sold.

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SECOND: To the payment in full of the Obligations (including principal, interest, premium, penalty and fees) in such order as Lender may elect.

THIRD: To the extent permitted by applicable law, to be set aside by Lender as adequate security in its reasonable judgment for the payment of sums which would have been paid to Lender under clauses **FIRST** and **SECOND** above, but which sums are not yet due and payable or liquidated.

FOURTH: The balance, if any, to Borrower.

22.04 ADDITIONAL PROVISIONS AS TO REMEDIES.

(a) To the extent permitted by applicable law, no right or remedy herein conferred upon or reserved to Lender is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and continuing, shall be in addition to every other right or remedy given hereunder, or under the Note or any Loan Document or now or hereafter existing at law or in equity, and may be exercised from time to time and as often as may be deemed expedient by Lender.

(b) No delay or omission by Lender in exercising any right or remedy hereunder during the continuance of an Event of Default shall impair such exercise or be construed to be a waiver of any such Event of Default or an acquiescence therein.

(c) The failure, refusal or waiver by Lender of its right to assert any right or remedy hereunder during the continuance of an Event of Default or other occurrence shall not be construed as waiving such right or remedy upon any other or subsequent Event of Default or other occurrence.

(d) Lender shall not have any obligation to pursue any rights or remedies it may have under any other agreement prior to pursuing its rights or remedies hereunder or under the Note or any other Loan Document.

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the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

22.06 INTEREST AFTER DEFAULT. Upon the occurrence of an Event of Default, any Obligation then due and owing (including interest to the extent then permitted by applicable law) shall bear interest hereunder at the "Default Rate" which is specified in the Note. Such interest shall be added to and become a part of the Obligation and shall be secured hereby.

23. WAIVER OF HOMESTEAD AND OTHER RIGHTS. Grantors and Borrowers hereby waive all homestead or other exemptions to which Grantors and Borrowers would otherwise be entitled under any applicable law.

24. SATISFACTION. Upon the payment in full of the Obligations, this Mortgage shall be satisfied of record by Lender. Lender shall have no obligation to release this Mortgage unless all monies due Lender are paid in full.

25. REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER. Upon demand, Grantors and/or Borrowers shall immediately reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Grantors or Borrowers or the exercise of any right or remedy of Lender under this Mortgage, together with interest thereon at the rate of Twenty Five per cent (25%) per annum from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations herein.

26. APPLICATION OF PAYMENTS. All payments made on behalf of Grantors or Borrowers may be applied against amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise of its rights or remedies described in this Mortgage and then to the payment of the remaining Obligations in whatever order Lender chooses.

27. SUBROGATION OF LENDER. Intentionally omitted.

28. COLLECTION COSTS. If Lender hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Mortgage, Grantors and/or Borrowers agree to pay Lender's attorneys' fees and costs.

29. PARTIAL RELEASE. Lender may release its interest in any one (1) parcel of real estate that constitute the Property by executing and recording one or more partial releases without affecting its interest in the remaining portion of the Property. Except as provided in paragraph Twenty Four (24) hereof, nothing herein shall be deemed to obligate Lender to release any of its interest in the Property.

30. MODIFICATION AND WAIVER. The modification or waiver of any of Grantors' or Borrowers' Obligations or Lenders rights under this Mortgage must be contained in a writing signed by Lender. Lender may perform any of Grantors' or Borrowers' Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Grantors' or Borrowers' Obligations under this Mortgage shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or

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releases any of the Obligations of Borrowers or the Grantors, or Borrowers, third party or any of its rights against any Grantors, or third party.

31. **SUCCESSORS AND ASSIGNS.** This Mortgage shall be binding upon and inure to the benefit of Grantors, Borrowers and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees and devisees.

32. **NOTICES.** Any notice of other communication to be provided under this Mortgage shall be in writing and sent to the parties at the addresses described in this Mortgage or such other address as the parties may designate in writing from time to time. Any such notice so given and sent by certified mail, postage prepaid, shall be deemed given three (3) days after such notice is sent and any other such notice shall be deemed given when received by the person to whom such notice is being given.

Address for Notices:

A. If to the Lender:

Scott Krause
918 W. 34th Street
Chicago, Illinois 60608

copy to:

Foster Marshall, Jr., Attorney At Law
c/o Marc D. Sherman & Associates, P.C.
3700 W. Devon Avenue, Suite E
Lincolnwood, Indiana 60712

B. If to Grantor or Borrower:

WILFORD J. HUBBELL
9603 W. 236th Avenue
Schneider, Indiana 46376

33. **SEVERABILITY.** If any provision of this Mortgage violates the law or is unenforceable, the rest of the Mortgage shall continue to be valid and enforceable.

34. **APPLICABLE LAW.** This Mortgage shall be governed by the laws of the state (Indiana) where the Property is located. However, because the Lender resides in the State of Illinois, Grantor consents to the jurisdiction and venue of any court located in the State of Illinois, County of Cook and Grantor shall not seek removal to the Courts of Indiana.

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35. **MISCELLANEOUS.** Grantors, Borrowers and Lender agree that time is of the essence. Grantors and Borrowers waive presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Grantor in this Mortgage shall include all persons signing below. If there is more than one Grantor, their Obligations shall be joint and several. **To the extent permitted by the Laws of Indiana, Grantor hereby waives any right to trial by jury in any civil action arising out of, or based upon, this Mortgage or the Property securing this Mortgage.** The Mortgage and any related documents represent the complete integrated understanding between Grantors and Lender pertaining to the terms and conditions of those documents.

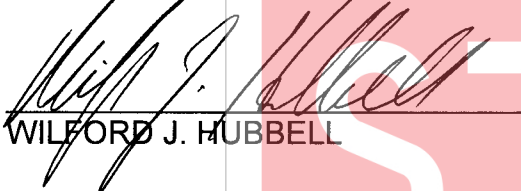
36. **ADDITIONAL TERMS.** Wherever the term "Grantor" appears in this Mortgage it shall be deemed to mean "Grantor and Borrower" it being the intention of the parties that Borrower be equally liable, obligated and responsible for the performance of all duties and obligations set forth herein. The terms "Grantor" and "Borrower" shall also be deemed to mean "Grantors" and "Borrowers" and vice versa.

37. **WAIVER OF RIGHT OF REDEMPTION.** Grantors and Borrowers hereby expressly waive any Right of Redemption, if any, any or all of them may have pursuant to applicable Statutes of the State of Indiana.

DATED: Dec 27, 2006

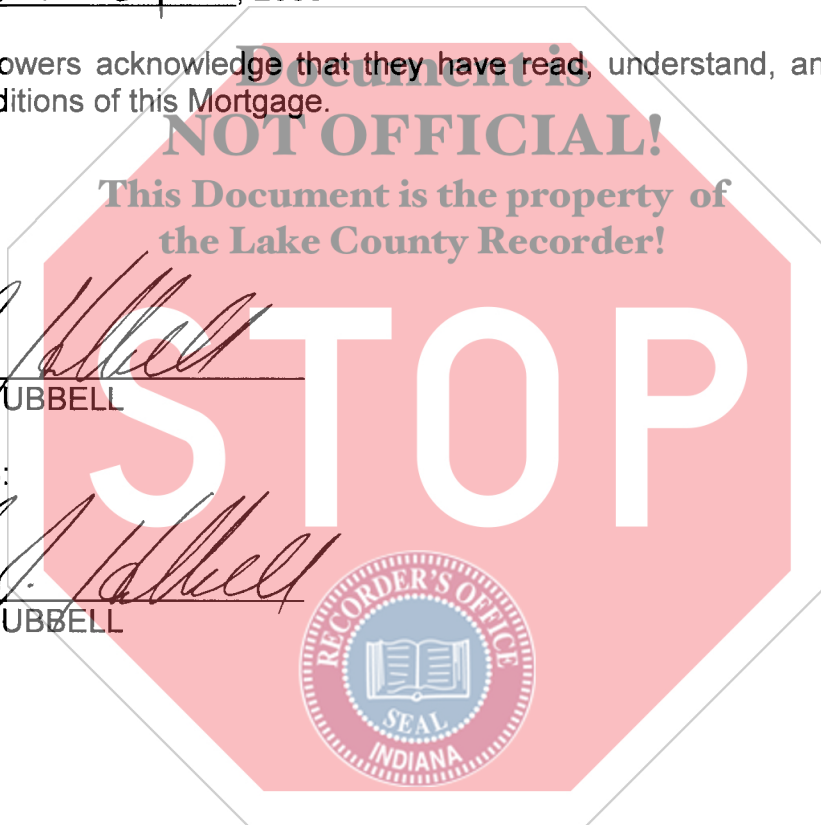
Grantors /Borrowers acknowledge that they have read, understand, and agree to the terms and conditions of this Mortgage.

GRANTORS:


WILFORD J. HUBBELL

BORROWERS:


WILFORD J. HUBBELL



Borrower Initial: WJH

