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**MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND FIXTURE FILING**

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THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FIXTURE FILING, dated as of June 3, 2008 (this "Mortgage") from SCOTT JOHNSEN ("Scott") and _____ Johnsen; together with Scott, each a "Mortgagor" and also collectively, "Mortgagors", as the context may require), to Griffith & Jacobson, LLC, an Illinois limited liability company ("Mortgagee"),

WITNESSETH:

WHEREAS there are up to two parcels of land, in the State of Indiana, designated as tax parcels 12-14-0006-0005, and more specifically described in attached EXHIBIT A (the "Premises"); AND

WHEREAS the Premises are collectively owned by the Mortgagors; AND

WHEREAS Mortgagors have each constructed their own respective improvements on a portion of the Premises; AND

WHEREAS Mortgagee has agreed to make a loan and extend credit to Scott Johnsen, in a total aggregate principal amount of UP TO FIFTY THOUSAND DOLLARS (\$50,000) (the "Loan"); AND

WHEREAS each Mortgagor has a direct or indirect interest in the Premises and expects to derive advantage from the Loan; AND

WHEREAS the Loan will be evidenced by a Secured Promissory Note dated an even date of Scott Johnsen (as it may be amended, extended, renewed or otherwise modified and together with all notes issued in substitution or exchange therefor, the "Note") in the principal amount of up to \$50,000, payable together with interest in monthly installments in accordance with the terms and conditions of the Note on demand upon the terms and conditions set forth in the Note; AND

WHEREAS Loan is made for the purposes of legal fees and expenses; AND

WHEREAS it is a condition to the making of the Loan that Mortgagor secure the payment and performance of all of its obligations to the Mortgagee under the Note and all other Related Documents (as herein after defined) executed and delivered by each of the undersigned Mortgagor in consummation of the transactions contemplated in connection with the Loan by, among other things, causing the Premises and all improvements thereto to be mortgaged, pledged and conveyed for security purposes to Mortgagee.

NOW, THEREFORE, IN ORDER TO SECURE THE PROMPT AND COMPLETE:

(a) payment of all sums that may at any time be due under the Note and any and all other agreements and instruments executed by any Mortgagor to Mortgagee in connection with the Loan, including in connection with any and all additional credit extended by Mortgagee to Mortgagor with respect to the Premises and all improvements thereto or thereon, whether through amendment or modification of the Note or through other agreements and debt instruments, whether now existing or hereafter made, and any and all renewals and extensions of any of such debt to Mortgagee, in whole or in part, according to its tenor (all such obligations of Mortgagor to the Mortgagee hereinafter called "Indebtedness"); and

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(b) performance and observance of all the covenants, agreements and provisions (all such other obligations of Mortgagor to the Mortgagee hereinafter called "**Related Obligations**" and together with the Indebtedness called "**Obligations**") contained in the Note, this Mortgage and all other agreements, documents and instruments of Mortgagor relating to any Indebtedness (any and all of such agreements, documents and instruments of Mortgagor with and to the Mortgagee individually a "**Related Document**" and collectively "**Related Documents**"); and in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance;

MORTGAGOR DOES HEREBY MORTGAGE, WARRANT, GRANT AND CONVEY UNTO MORTGAGEE, and its successors and assigns, the following described property (the "**Mortgaged Premises**"):

- (A) the Premises as more specifically described in EXHIBIT A attached hereto;
- (B) all easements, rights-of-way, licenses and privileges, thereunto belonging or in any wise appertaining;
- (C) all buildings and improvements now or hereafter situated upon the Premises or any part thereof;
- (D) all building materials and equipment, now or hereafter located on the Premises and intended to be incorporated in said buildings and improvements;
- (E) all minerals, royalties, gas rights, water, water rights, water stock, flowers, shrubs, lawn plants, crops, trees, timber and other emblements now or hereafter located on, under or above all or any part of the Premises to the extent the same are owned by Mortgagor;
- (F) all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and the reversion or reversions, remainder and remainders thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever of Mortgagor, of, in and to the same and of, in and to every part and pared thereof;
- (G) subject to Paragraph 17 hereof, all the rents, issues and profits thereof under present or future leases, or otherwise, which are hereby specifically assigned, transferred and set over to Mortgagee, and including, but not limited to, all cash or securities deposited under any such leases to secure performance by the tenants of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments of rent coming due thereunder;
- (H) all right, title and interest of Mortgagor, if any, in and to the Premises lying in the bed of any street, road, avenue, alley or walkway, opened or proposed or vacated, or any strip or gore, in front of or adjoining the Premises;
- (I) Mortgagor's interest, if any, in all machinery, apparatus, equipment, fittings, fixtures, and articles of personal property of every kind and nature whatsoever, other than consumable goods, now or hereafter located in or upon the Premises or any part thereof and used or useable in connection with any present or future operation of the Premises and now owned or hereafter acquired by Mortgagor (all of which is herein called "**Equipment**"), including, but without limiting the generality of the foregoing, all lighting, heating, cooling, ventilating, air-conditioning,

incinerating, refrigerating, plumbing, sprinkling, communication and electrical systems, and the machinery, appliances, fixtures and Equipment pertaining thereto, *it being understood and agreed* that all Equipment is part and parcel of the Premises and appropriated to the use of said real estate and, whether affixed or annexed or not, shall for the purposes of this Mortgage, unless Mortgagee shall otherwise elect, be deemed conclusively to be real estate and mortgaged hereby;

(J) any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Premises as a result of

- (i) the exercise of the right of eminent domain,
- (ii) the alteration of the grade of any street, any loss of or damage to any building or other improvement on the Premises,
- (iii) any other injury to or decrease in the value of the Premises or
- (iv) any refund due on account of the payment of real estate taxes, assessments or other charges levied against or imposed upon the Premises,

to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment, Mortgagor hereby agreeing to execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm such assignment to Mortgagee of any such award or payment;

(K) Mortgagor's interest in all contract rights of every kind and nature whatsoever, now or hereafter relating to or used or useable in connection with any present or future operation of the Premises or any buildings on the Premises; and

(L) all products and proceeds and interests hereafter acquired of the foregoing.

TO HAVE AND TO HOLD the Mortgaged Premises, and each and every part thereof, unto Mortgagee and its successors and assigns forever (any reference herein to the "**Mortgaged Premises**" shall, unless the context shall require otherwise, be deemed to include and apply to the above described Premises and said buildings, improvements, equipment, rents, issues, profits, leases, easements, tenements, hereditaments and appurtenances and all other rights, privileges and interests herein above described, whether now existing or hereafter acquired),

SUBJECT only to those matters set forth in EXHIBIT B hereto ("**Permitted Encumbrances**");

AND MORTGAGOR DOES HEREBY COVENANT AND WARRANT as follows:

1. Payment of Obligations; Performance of Agreements. Mortgagor shall pay the Indebtedness according to the terms thereof, and will keep and perform all the covenants, promises and agreements in

- a. the Note and any instruments at any time heretofore or hereafter issued to evidence all or any portion of the Indebtedness,
- b. this Mortgage and
- c. any and all other Related Documents,

all in the manner herein or therein set forth.

2. Covenants of Title. The Mortgagor has good and indefeasible title to the entire Mortgaged Premises in fee simple and with good right and full power to sell, mortgage and convey the same, the Mortgaged Premises is free and clear of liens and encumbrances except Permitted Encumbrances, whether presently existing or which may hereafter be created in accordance with the terms hereof, and Mortgagor will warrant and defend the Mortgaged Premises against all lawful claims and demands whatsoever. Mortgagee shall have the right, at its option and at such time or times as it, in its sole discretion, shall deem necessary, to take whatever action it may deem necessary to defend or uphold the lien of this Mortgage or otherwise enforce any of the rights of Mortgagee hereunder or any obligation secured hereby, including without limitation, the right to institute appropriate legal proceedings for such purposes.

3. Payment of Taxes, Assessments and Charges. Mortgagor shall pay when due all real estate taxes, special assessments, water and sewer charges or other governmental charges and impositions levied or assessed with respect to the Mortgaged Premises or any part thereof. Should Mortgagor fail to pay such taxes, special assessments, water and sewer charges or other governmental charges or impositions, Mortgagee may, at its option, pay the same for the account of Mortgagor. Upon request of Mortgagee, Mortgagor shall immediately furnish to Mortgagee all notices of amounts due and receipts evidencing payment.

4. Reserves.

a. To the extent not required by any mortgage listed on EXHIBIT B hereto, and upon an Event of Default which continues for a period of ten (10) day following written notice to Mortgagor of such default, Mortgagee may require Mortgagor to pay to Mortgagee, monthly, at the times provided in the Note for the payment of installments of interest, installments of the taxes and assessments levied or to be levied upon the Mortgaged Premises, said installments to be substantially equal and to be in an amount equal to one-twelfth ($1/12$) of the estimated tax bills (including special assessments, if any) for any period in which such taxes are due and payable. Said amounts paid to Mortgagee hereunder need not be segregated nor kept in a separate fund, and interest shall be payable thereon at prevailing rates for Mortgagee's "money market" or similar accounts, which need not be the best available rates paid by Mortgagee. Said amounts shall be held by Mortgagee as additional security for the Obligations and, except as provided in the following sentence, be applied to the payment of said taxes and assessments when the same become due and payable. Upon the occurrence of an Event of Default hereunder, Mortgagee may, at its option, but without any obligation on its part so to do, apply said amounts upon said taxes and assessments or toward the payment of the Obligations or any portion thereof, whether or not then due or payable.

b. Upon an assignment of this Mortgage, Mortgagee shall have the right to pay over the balance of such deposits in its possession to the assignee and Mortgagee shall thereupon be completely released from all liability with respect to such deposits and Mortgagor or owner of the Mortgaged Premises shall look solely to the assignee or transferee in reference thereto. This provision shall apply to every transfer of such deposits to a new assignee. Upon full payment and satisfaction of the Obligations or at any prior time upon the election of

Mortgagee, the balance of the unapplied deposits in its possession shall be paid over to the record owner of the Mortgaged Premises and no other party shall have any right or claim thereto in any event, provided that in the event of a foreclosure of the Mortgaged Premises, the purchaser at such foreclosure shall have the right to receive such unapplied deposits.

5. Payment of Other Obligations; No Secondary Liens. Mortgagor shall also pay any and all other obligations, liabilities or debts which may become liens, security interests, or encumbrances upon or charges against the Mortgaged Premises for any repairs or improvements that are now completed or are in progress or which may hereafter be made thereon, or for any other goods, services, or utilities furnished to the Mortgaged Premises, and shall not permit any lien, security interest, encumbrance or charge of any kind securing the repayment of borrowed funds (including the deferred purchase price for any property) to accrue and remain outstanding against the Mortgaged Premises or any part thereof, or any improvements thereon other than Permitted Encumbrances, if any.

6. Maintenance and Repair: Compliance with Laws; Inspection. Mortgagor will keep the Mortgaged Premises and all the improvements thereon in good order and repair, and Mortgagor expressly agrees that it will not do or permit waste on the Mortgaged Premises nor do any other act whereby the Mortgaged Premises will become less valuable or the lien hereof may be impaired. Nonpayment of taxes and cancellation of insurance shall constitute waste. Should Mortgagor fail to effect the necessary repairs, Mortgagee may at its option make such repairs for the account of Mortgagor. Mortgagor will promptly comply, and cause the Mortgaged Premises and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of the United States of America, State of Indiana, the County where the Premises are located, or any other governmental authority affecting the Mortgaged Premises or any part thereof or the use or occupancy thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Premises, or any part thereof, or the use or occupancy thereof. Mortgagee, and any person authorized by Mortgagee, shall have the right to enter upon and inspect the Mortgaged Premises at all reasonable times. Mortgagor shall not materially alter the existing structure of the Mortgaged Premises and shall not erect any buildings or other structures on the Premises without the prior written consent of Mortgagee.

7. Insurance. Mortgagor shall maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by persons engaged in similar businesses and owning similar properties similarly situated for the Mortgaged Premises. Premises insurance shall cover all risks, including but not limited to, builders risk, fire, extended coverage, vandalism and malicious mischief, and other hazards in an amount not less than the greater of the maximum outstanding principal balance of the Note or the fair market value of the Mortgaged Premises, with the standard mortgage clause naming Mortgagee as mortgagee and lender's loss payee; comprehensive general public liability insurance in an amount acceptable to Mortgagee, with Mortgagee named as additional insured; workers compensation insurance in an amount acceptable to Mortgagee with Mortgagee named as certificate holder; and flood insurance, if the Mortgaged Premises lie within a special flood hazard area under National Floor Insurance Program with Mortgagee named as additional insured (all such policies each an "**Insurance Policy**" and collectively "**Insurance Policies**"). Mortgagor must deposit ONE TWELFTH ($\frac{1}{12}$) of estimated annual insurance premiums for the Mortgaged

Premises each month into escrow with Mortgagee and a 4-month reserve shall be deposited out of Loan proceeds into such escrow at Closing.

8. Proceeds of Insurance.

a. Mortgagor will give Mortgagee prompt notice of any loss or damage to the Mortgaged Premises, and if such loss or damage covered by any Insurance Policy, Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) may at its option either (a) settle and adjust any claim under such Insurance Policies without the consent of Mortgagor, or (b) allow Mortgagor to settle and adjust such claim without the consent of Mortgagee, *provided* that, in either case, Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness, and shall be reimbursed to Mortgagee upon demand or may be deducted by Mortgagee from such insurance proceeds before any other application thereof. In the alternative, Mortgagor may deliver substitute property or collateral acceptable to Mortgagee, and in such event Mortgagor shall settle and adjust the claim. Each insurance company which has issued an Insurance Policy is hereby authorized and directed to make payment for all losses covered by any Insurance Policy to Mortgagee alone, and not to Mortgagee and Mortgagor jointly; *provided, however*, if Mortgagor delivers substitute collateral to Mortgagee as provided herein, Mortgagee shall direct the insurance company to deliver proceeds to Mortgagor.

b. If the Mortgagee elects to apply insurance proceeds, Mortgagee shall apply the proceeds of Insurance Policies consequent upon any casualty either (a) to reduce the Indebtedness and Related Obligations or (b) to reimburse Mortgagor for the cost of restoring or repairing the Mortgaged Premises subject to the conditions and in accordance with the provisions of Paragraph 9 hereof.

c. If insurance proceeds are made available to Mortgagor, Mortgagor shall restore or repair the Improvements, to be of at least equal value, and of substantially the same character as prior to such casualty, all to be effected in accordance with plans, specifications and procedures approved in advance by the Mortgagee, and Mortgagor shall pay all costs of such restoring or repairing.

d. As long as no Event of Default exists and is continuing at the time such insurance proceeds become available and the loss or damage is such that Mortgagor can restore or repair the Improvements subject to the conditions and in accordance with the provisions of Paragraph 8.c above, Mortgagor shall have the right to elect to have the insurance proceeds made available for such purposes by giving notice of such election to Mortgagee promptly and in no event later than thirty (30) days after the occurrence of the loss or damage.

9. Disbursement of Insurance Proceeds. Insurance proceeds held by Mortgagee for restoration or repairing of the Mortgaged Premises shall be disbursed from time to time upon Mortgagee being furnished with (a) evidence satisfactory to it of the estimated cost of the restoration or repair, (b) funds sufficient in addition to the proceeds of insurance to fully pay for the restoration or repair and to pay debt service on the Indebtedness during the period of restoration or repair, and (c) such architect's certificates, waivers of lien, contractor's sworn

statements, title insurance endorsements, plats of survey and such other evidences of cost, payment and performance as Mortgagee may require and approve. No payment made prior to the final completion of the restoration or repair shall exceed ninety percent (90%) of the value of the work performed from time to time, as such value shall be determined by Mortgagee in its sole judgment; funds deposited hereunder other than insurance proceeds shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of Mortgagee, together with funds deposited or irrevocably committed, to the satisfaction of Mortgagee, by or on behalf of Mortgagor to pay the cost of such repair or restoration, shall be sufficient in the reasonable judgment of Mortgagee to pay the entire unpaid cost of the restoration or repair, free of all liens or claims for lien. Any surplus remaining out of insurance proceeds held by Mortgagee after payment of such costs of restoration or repair shall be paid to Mortgagor, *provided* that no Event of Default has occurred and remains continuing hereunder. Interest shall be allowed to Mortgagor on account of any proceeds of insurance or other funds held by Mortgagee at Mortgagee's prevailing money market rates.

10. Condemnation and Eminent Domain. All awards (each an “Award” and collectively “Awards”) made to Mortgagor as owner of the Mortgaged Premises, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Mortgaged Premises, are hereby assigned by Mortgagor to Mortgagee up to the aggregate amount of the Indebtedness then outstanding. Mortgagee, upon approval of Mortgagor, which shall not be unreasonably withheld, conditioned or delayed, may settle, adjust and collect any Award from the condemnation authorities, and may give appropriate acquittances therefor. Mortgagor shall immediately notify Mortgagee of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting any part of the Mortgaged Premises and shall deliver to Mortgagee copies of all papers served in connection with any such proceedings. Mortgagor shall make, execute and deliver to Mortgagee, at any time upon written request, free of any encumbrance, any further assignments and other instruments deemed necessary by Mortgagee for the purpose of assigning any Award to Mortgagee. After deducting from any Award for such taking all of its reasonable or necessary expenses incurred in the collection and administration of such Award, including attorney's fees, Mortgagee shall be entitled to apply the net proceeds toward repayment of such portion of the Indebtedness as it deems appropriate without affecting the lien of this Mortgage. If any portion of or interest in the Mortgaged Premises is taken by condemnation or eminent domain and the remaining portion of the Mortgaged Premises, in the judgment of Mortgagee, is not a complete economic unit having equivalent value to the Mortgaged Premises as it existed prior to the taking, then Mortgagor may substitute additional property or collateral acceptable to Mortgagee such that the value of all collateral securing the Indebtedness meets all applicable requirements and covenants contained in any other Related Document, and in such event the applicable Award shall belong to Mortgagor. In the event of any partial taking of the Mortgaged Premises or any interest in the Mortgaged Premises, which, in the judgment of Mortgagee, leaves the Mortgaged Premises as a complete economic unit having substantially the same value to the Mortgaged Premises as it existed prior to the taking, and provided no Event of Default exists and remains continuing hereunder, the applicable Award shall be applied to reimburse Mortgagor for the cost of restoration and rebuilding the Mortgaged Premises in accordance with plans, specifications and procedures approved in advance by Mortgagee, and such Award shall be disbursed in the same manner as is provided above for the application of insurance

proceeds. If all or any part of such Award is not applied for reimbursement of such restoration costs, such Award shall at the option of Mortgagee be applied against the Indebtedness, in such order or manner as Mortgagee shall elect, or paid to Mortgagor.

11. Reimbursement of Advances by Mortgagee. Mortgagor shall pay to Mortgagee, upon demand, all sums expended by Mortgagee, or by a receiver appointed at the request of Mortgagee, unless such sums shall be paid out of the rents, income and profits from the Mortgaged Premises,

- a. to pay insurance premiums, taxes, assessments, water and sewer charges and other governmental charges and impositions with respect to the Mortgaged Premises,
- b. to maintain, repair or improve the Mortgaged Premises,
- c. to defend the lien of this Mortgage as a lien against the Mortgaged Premises subject only to the encumbrances herein above expressly set forth,
- d. to discharge any lien or encumbrance affecting the Mortgaged Premises other than Permitted Encumbrances,
- e. to cure any default of Mortgagor under any lease or other agreement covering the Mortgaged Premises,
- f. to cure any default of Mortgagor hereunder or under any of the Related Documents or
- g. for or in connection with any other reasonably necessary action taken by Mortgagee to preserve the security of this Mortgage or any other security for the Obligations or to protect any of Mortgagee's rights hereunder

All such expenditures as shall be made by Mortgagee or such receiver or pursuant to any other provision of this Mortgage or the other Related Documents, including any reasonable attorneys' fees and disbursements incurred by Mortgagee or such receiver in connection with the foregoing, shall constitute additional Obligations of the Mortgagor, be payable upon demand, be secured by this Mortgage and shall bear interest at the default interest rate set forth in the Note.

12. Change in Taxes.

a. If any tax shall be due or become due and payable to the United States of America, the State of Indiana or any political subdivision thereof with respect to the execution and delivery or recordation of this Mortgage or any notes or other instrument or agreement evidencing or securing repayment of the Obligations or the interest of Mortgagee in the Mortgaged Premises, Mortgagor shall pay such tax at the time and in the manner required by applicable law and Mortgagor shall hold Mortgagee harmless and shall indemnify Mortgagee against any liability of any nature whatsoever as a result of the imposition of any such tax.

b. If after the date of this Mortgage any law is passed in the State of Indiana deducting from the value of real property for purposes of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages or debts secured thereby (including the interest thereon) for state or local purposes, or changing the manner of col-

lection of any such taxes, and imposing a tax, either directly or indirectly, on this Mortgage, the Notes or any of the other Related Documents, the holder of this Mortgage shall have the right to declare the entire unpaid amount of the Obligations, together with accrued and unpaid interest thereon, to be due immediately and payable.

13. Events of Default. The occurrence of any of the following events shall be deemed an “Event of Default” hereunder and shall entitle Mortgagee to exercise its remedies hereunder and under the Notes and any of the other Related Documents or as otherwise provided by law:

- a. default in making a payment, when due, of any principal of or interest on the Note; or
- b. default in making a payment, when due, of any other portion of the Obligations after any applicable notice, grace period or both; or
- c. default in the observance or performance of any other covenant, promise or agreement provided herein or in any of the other Related Documents whether by Mortgagor, or any Co-Borrower, and such default shall continue after any applicable notice or grace period or both contained herein or therein (which shall be within thirty (30) days following notice from Mortgagee of such default if no cure period is stated), or for such additional period not exceeding thirty (30) days as may reasonably be required to cure such default so long as Mortgagor (or the applicable responsible party) is diligently attempting to cure said failure; or
- d. the making of a Prohibited Transfer (as defined in Paragraph 21 below); or
- e. the occurrence of any Event of Default or other default under the terms of any of the Related Documents, after giving effect to any applicable notice, lapse of time or both; or
- f. any statement, representation, covenant or warranty contained in any of the Related Documents or any other document or writing submitted to Lender by or on behalf of Mortgagor proves to be untrue in any material respect; or
- g. admission by Borrower or Mortgagor in writing, including without limitation an answer or other pleading filed in any court, of Borrower’s or Mortgagor’s insolvency or its inability to pay its debts generally as they fall due; or
- h. institution by Borrower or Mortgagor of bankruptcy, insolvency, reorganization or arrangement proceedings of any kind under the Federal bankruptcy Code, whether as now existing or as hereafter amended, or any similar debtors’ or creditors’ rights law, whether federal or state, now or hereafter existing, or the making by Borrower or Mortgagor of a general assignment for the benefit of creditors; or
- i. institution of any proceedings described in Paragraph 13.h against Borrower or Mortgagor that are consented to by Borrower or Mortgagor, as the case may be, or are not dismissed, vacated, or stayed within sixty (60) days after the filing thereof; or
- j. appointment by any court of a receiver, trustee or liquidator of or for, or assumption by any court of jurisdiction of, all or any part of the Mortgaged Property or all

or a major portion of the property of Borrower or Mortgagor, if such appointment or assumption is consented to by Borrower or Mortgagor, as the case may be, or if, within sixty (60) days after such appointment or assumption, such receiver, trustee or liquidator is not discharged or such jurisdiction is not relinquished, vacated or stayed; or

k. declaration by any court or governmental agency of the bankruptcy or insolvency of Borrower or Mortgagor; or

l. any notice of lien, levy, assessment or other encumbrance is filed of record with respect to all or any portion of the Premises including, but not limited to, such a lien, levy, assessment or other encumbrance for material or supplies used, incorporated or provided in connection with the Premises, the Borrower or activities or operations from the Premises and such lien or other encumbrance is not released within thirty (30) days after its filing.

14. Remedies upon an Event of Default. Immediately upon the occurrence of any Event of Default, Mortgagee shall have the option, in addition to and not in lieu of or substitution for all other rights and remedies provided in this Mortgage, the Note or any other Related Documents or provided by law or in equity, and is hereby authorized and empowered by Mortgagor, to do any or all of the following:

a. Declare the entire unpaid amount of the Obligations, together with accrued and unpaid interest thereon, and any and all charges payable by Mortgagor (or the applicable Co-Borrower or Guarantor) to Mortgagee pursuant to any of the Related Documents, immediately due and payable and, at Mortgagee's option,

i. to bring suit therefor, or

ii. to bring suit for any delinquent payment of or upon the Obligations, or

iii. to take any and all steps and institute any and all other proceedings that Mortgagee deems necessary to enforce payment of the Obligations and performance of other obligations secured hereunder and to protect the lien of this Mortgage.

b. Exercise any and all rights and remedies provided herein or in the Related Documents or available at law or in equity, including without limitation the right to commence foreclosure proceedings against the Mortgaged Premises pursuant to the common law of the State of Indiana or pursuant to the statutes in such case made and provided, and to sell the Mortgaged Premises or to cause the same to be sold at public sale, and to convey the same to the purchaser, in accordance with said statutes or common law, in a single parcel or in several parcels at the option of Mortgagee. Mortgagor hereby acknowledges that this Mortgage contains a POWER OF SALE and that, to the extent permitted by applicable law, if Mortgagee elects to foreclose by advertisement pursuant to the POWER OF SALE, MORTGAGOR EXPRESSLY WAIVES NOTICE THEREOF (EXCEPT SUCH NOTICES AS MAY BE REQUIRED BY STATUTE), A HEARING PRIOR TO SALE AND ANY RIGHT, CONSTITUTIONAL OR OTHERWISE, THAT MORTGAGOR MIGHT OTHERWISE HAVE TO REQUIRE A JUDICIAL FORECLOSURE. In any such sale of the Mortgaged Premises, whether pursuant to a judicial foreclosure sale or the power of sale contained herein, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses that may be paid or incurred by or on behalf of Mortgagee for court costs, fees of masters in chancery, attorneys' fees, apprais-

er's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to the holder at any sale that may be had pursuant to such decree the true conditions of the title to or value of the Mortgaged Premises. Mortgagor further agrees that Mortgagee is authorized and empowered to retain out of the sale proceeds such moneys as are necessary to pay in full the Obligations, the costs and charges of such sale, and also the attorneys' fees provided by statute, returning the surplus moneys (if any there should be) to Mortgagor. Mortgagor hereby waives all errors, defects and imperfections in any proceeding instituted by Mortgagee under this Mortgage.

c. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Mortgaged Premises. Such appointment may be either before or after the sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Premises or whether the same shall then be occupied as a homestead or not and Mortgagee or any holder of any notes evidencing the Obligations may be appointed such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Mortgaged Premises during the pendency of such foreclosure suit and, in the case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income from the Mortgaged Premises in whole or in part to:

- i. the indebtedness secured hereby or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure; or
- ii. the deficiency in case of a sale and deficiency.

d. In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Mortgaged Premises or any part thereof personally, or by its agent or attorneys, as for condition broken, In such event Mortgagee in its discretion may, with or without process of law, enter upon and take and maintain possession of all or any part of said Mortgaged Premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Mortgaged Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney-in-fact

or agent of Mortgagor, or in its own name as mortgagee and under the powers herein granted, hold, operate, manage and control the Mortgaged Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power and to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Mortgaged Premises, including liens for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power:

i. to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;

ii. to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof;

iii. to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, *it being understood and agreed* that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

iv. to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises as it may deem proper;

v. to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and

vi. to receive all of such avails, rents, issues and profits;

Mortgagor hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof, and of and from any and all claims and demands whatsoever that may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

e. Mortgagee, in the exercise of the rights and powers herein above conferred upon it by this Mortgage shall have full power to use and apply the avails, rents, issues and profits of the Mortgaged Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

i. to the payment of the operating expenses of said Mortgaged Premises, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee, its agent or agents, and attorneys, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims of damages, if any, and premiums on insurance herein above authorized;

ii. to the payment of taxes and special assessments now due or which may hereafter become due on the Mortgaged Premises; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease;

iii. to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Mortgaged Premises, including the cost from time to time of installing or replacing personal property such as appliances therein, and of placing the Mortgaged Premises in such condition as will, in the judgment of Mortgagee, make it readily rentable; and

iv. to the payment of any Obligations secured hereby or any deficiency which may result from any foreclosure sale.

f. In the event of any sale of the Mortgaged Premises by foreclosure, Mortgagee shall have the right to apply the proceeds of any such sale to:

i. all expenses incurred for the collection of the Obligations and the foreclosure of this Mortgage, including reasonable attorneys' fees and disbursements, or such attorneys' fees and disbursements as are permitted by law,

ii. all sums expended or incurred by Mortgagee directly or indirectly in carrying out the terms, covenants and agreements of the Notes, this Mortgage and the other Related Documents, together with interest thereon as therein provided,

iii. all accrued and unpaid interest upon the Indebtedness,

iv. fees, expenses and other sums (excluding principal) due in connection with the Obligations,

v. the unpaid principal amount of the Obligations, and

vi. the surplus, if any there be, unless a court of competent jurisdiction decrees otherwise, to Mortgagor.

g. In the event of any sale of the Mortgaged Premises by foreclosure, the Mortgaged Premises may be sold in one or more parcels. Lender may be the purchaser at any foreclosure sale of the Mortgaged Premises or any part thereof.

15. Successors in Ownership. If ownership of the Mortgaged Premises or any part thereof becomes vested in a person or persons other than Mortgagor without the prior written approval of Mortgagee, Mortgagee may (but shall not be obligated to) deal with such successor or successors in interest with reference to this Mortgage and the other Related Documents in the same manner as with Mortgagor, without in any manner discharging or otherwise affecting Mortgagor's liability hereunder or upon the Obligations.

16. Security Agreement. All personal property located at or used in connection with the Mortgaged Premises shall be owned by Mortgagor and shall not be subject to any lease or other transaction whereby the ownership or any beneficial interest in any of such personal property shall be held by any person or entity other than Mortgagor. Mortgagor shall not create or cause to be created any security interest in any such personal property other than the security interest created in favor of Mortgagee. This Mortgage shall, as to any Equipment and other personal property described herein and covered hereby, be deemed to grant a security interest therein to Mortgagee pursuant to Article 9 of the Indiana Uniform Commercial Code. Mortgagor agrees, upon request of Mortgagee to furnish an inventory of personal property owned by Mortgagor and subject to this Mortgage and, upon request of Mortgagee, to execute any supplements to this Mortgage, any separate security agreement and financing statements to include specifically said inventory of personal property. Upon the occurrence and during the continuance of any of the Events of Default referred to in Paragraph 13 hereof, Mortgagee shall have all of the rights and remedies herein provided or otherwise provided by law or by this Mortgage, including but not limited to the right to require Mortgagor to assemble such personal property and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to both parties, the right to take possession of such personal property, with or without demand, and with or without process of law, and the right to sell and dispose of the same and distribute the proceeds according to law. The parties hereto agree that any requirement of reasonable notice shall be met if Mortgagee sends such notice to Mortgagor at least five (5) days before the date of sale, disposition or other event giving rise to the required notice, and that the proceeds of any disposition of any such personal property may be applied by Mortgagee first to the reasonable expenses in connection therewith, including reasonable attorneys fees and legal expenses incurred, and including the expenses of retaining, keeping and storing such personal property, and then to payment of the Obligations.

17. Assignment of Leases and Rents. As of the date of this Mortgage, Mortgagor hereby assigns to Mortgagee all its right, title and interest in and to all written and oral leases, whether now in existence or which may hereafter come into existence during the term of this Mortgage, or any extension hereof, covering the Mortgaged Premises or any part thereof (but without an assumption by Mortgagee of liabilities of Mortgagor under any such leases by virtue of this assignment), and Mortgagor hereby assigns to Mortgagee the rents, issues and profits of the Mortgaged Premises. Until the occurrence of an Event of Default, Mortgagor shall have the right to receive and collect such rents, issues and profits. Upon the occurrence of an Event of Default, Mortgagee may elect upon written notice to Mortgagor to receive and collect said rents, issues and profits personally or through a receiver so long as any such Event of Default shall exist and during the pendency of any foreclosure proceedings and during any redemption period, and Mortgagor hereby consents to the appointment of a receiver if believed necessary or desirable by Mortgagee to enforce its rights under this Paragraph 17. The collection of rents by Mortgagee shall in no way waive the right of Mortgagee to foreclose this Mortgage in the event of any Event of Default.

18. Waiver of Rights of Redemption and Reinstatement. Mortgagor hereby expressly waives, if and only to the extent permitted by law, any and all rights of reinstatement and redemption, together with any and all other statutory rights of redemption on behalf of itself and on behalf of each and every person acquiring any interest or title in the Mortgaged Premises subsequent to the date of this Mortgage. Furthermore, if for any reason such waiver is found to be invalid or inapplicable, Mortgagor hereby agrees to the provisions of Indiana Mortgage of Real Estate, IC §32-29-1-1, *et. seq.*, as they may be amended and renumbered from time to time, providing for a reduced period of redemption between foreclosure judgment and sale judgment upon Mortgagor is waiving the right to any judgment for deficiency and consenting to Mortgagor's remaining in possession of the Mortgaged Premises and collecting all rents, issues, income and profits therefrom until the court confirms the foreclosure sale. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof will be subject to any defense which would not be good and valid in an action at law upon the Note.

19. Compliance with Indiana Mortgage Foreclosure Law.

a. If any provision in this Mortgage shall be inconsistent with any provision of Indiana law, the provision of Indiana law shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with Indiana law.

b. If any provision of this Mortgage shall grant to Mortgagee (including Mortgagee acting as a mortgagee-in-possession) or a receiver, any powers, rights or remedies before, upon or following the occurrence of an Event of Default which are more limited than the powers, rights or remedies that would otherwise be vested in Mortgagee or in such receiver under the Act in the absence of said provision, Mortgagee and such receiver shall be vested with the powers, rights and remedies granted in the Act to the full extent permitted by law.

c. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee in connection with the preservation, protection, maintenance and/or repair of the Premises, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage and/or by the judgment of foreclosure.

20. Inconsistent Provisions. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights and remedies that would otherwise be vested in Mortgagee absent said provisions, Mortgagee shall be vested with the rights and remedies granted in applicable law to the full extent permitted thereby.

21. Prohibition of Transfer and Further Encumbrances.

a. It shall be an immediate Event of Default hereunder if, without the prior written consent of Mortgagee, Mortgagor shall create, effect or consent to or shall suffer or permit

any conveyance, sale, assignment, transfer, lien, pledge, lease, mortgage, security interest, articles of agreement, property contract, installment sale or other encumbrance or alienation of the Mortgaged Premises or any part thereof, or interest therein, or enter into any contract to do any of the foregoing, in each case whether any such encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise (any such alienation or encumbrance or contract to encumber or alienate being a “**Prohibited Transfer**”), other than (i) the lien of this Mortgage or any other liens securing the Notes, (ii) the lien of current taxes and (iii) conveyance of the Mortgaged Premises to one or both of the Principals subject to the Principals’ assumption of the Principal by the execution and delivery to Mortgagee of appropriate documents of assignment and assumption and release of the original Mortgagor acceptable to Mortgagee.

b. The provisions hereof shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part or interest in or encumbrance upon the Mortgaged Premises or a beneficial interest in Mortgagor. Mortgagor acknowledges and agrees, for itself and its successors, that the foregoing restrictions on sale, transfer, or conveyance are reasonable. Any violation of the terms hereof shall entitle Mortgagee to declare the whole outstanding principal balance of the Notes, together with interest accrued thereon and any other sums owing under the terms of this Mortgage or any other Related Documents related to the Obligations hereby secured, immediately due and payable and to foreclose this Mortgage.

22. Fees and Expenses of Mortgagee. In addition to the other amounts owing by Mortgagor to Mortgagee hereunder, Mortgagor agrees promptly to reimburse Mortgagee for all fees, expenses and other charges incurred with respect to the Obligations or Mortgaged Premises including, without limitation, title insurance and date-downs, appraisals, escrows, surveys, inspections, trust documents, release deeds, environmental studies and reports, tax search fees and legal fees.

23. Integration and Severability. This Mortgage embodies the entire agreement and understanding between Mortgagor and Mortgagee, and supersedes all prior agreements and understandings, relating to the subject matter hereof. If any provision hereof is in conflict with any statute or rule of law of the State of Indiana or is otherwise unenforceable for any reason whatsoever, then such provision shall be deemed null and void to the extent of such conflict or unenforceability and shall be deemed severable from, but shall not invalidate any other provisions of this Mortgage. Notwithstanding the foregoing, nothing contained in this Mortgage shall be construed to amend or release any mortgage or assignment of rents in favor of Mortgagee previously recorded against all or a portion of the Mortgaged Premises. Should any provision of this Mortgage be invalid, void or unenforceable for any reason, the remaining provisions of this Mortgage shall remain in full force and effect.

24. Waiver. No waiver by Mortgagee of any right or remedy granted hereunder or failure to insist on strict performance by Mortgagor hereunder shall affect or extend to or act as a waiver of any other right or remedy of Mortgagee hereunder, nor affect the subsequent exercise of the same right or remedy by Mortgagee for any further or subsequent default by Mortgagor hereunder, and all such rights and remedies of Mortgagee hereunder are cumulative.

25. Marshaling Rights. Mortgagor hereby waives, in the event of foreclosure of this Mortgage or the enforcement by Mortgagee of any other rights and remedies hereunder, any right otherwise available in respect to marshaling of assets which secure the Obligations or to require Mortgagee to pursue its remedies against any other such assets.

26. Release of Rights of Dower, Homestead and Distributive Share. The undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the Premises and waives all rights of exemption as to any of the Premises.

27. Release of Mortgage. If all of the principal of and interest on the Obligations shall be paid and all other sums secured hereby or payable hereunder and under the Note and the Related Documents shall be paid, the Related Documents have terminated in full and Mortgagor shall comply with all the terms, conditions and requirements hereof, then this Mortgage shall be released by Mortgagee and thereupon it shall be of no further force and effect. In such case, upon the written request of Mortgagor, Mortgagee will execute and deliver such proper instruments of release and discharge as may reasonably be requested to evidence such defeasance, release and discharge within thirty (30) days of such request, subject to Mortgagor's reasonable fees and expenses (including attorneys' fees) to produce and deliver such instruments.

28. Business Purpose Loan. Mortgagor represents that the proceeds of the Loans secured by this Mortgage have been and will be used for business and commercial purposes and that the principal obligation secured hereby constitutes a business loan, and not a loan for acquiring, constructing or maintaining residential property or for personal, consumer, household, marital, family or agricultural purposes.

29. Indemnification. Mortgagor will indemnify and hold Lender harmless from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable attorneys' and expert witness fees and court costs) incurred by or asserted against Lender by reason of the ownership of the Premises or any interest therein or receipt of any rents, issues, proceeds or profits therefrom; any accident, injury to or death of persons, or loss of or damage to property occurring in, on or about the Premises or any part thereof or on the adjoining sidewalks, curbs, adjacent parking areas or streets; any use, non-use or condition in, on or about the Premises or any part thereof or on the adjoining sidewalks, curbs, adjacent parking areas or streets; any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage; or performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof. Any amounts owed to Lender by reason of this Paragraph shall constitute additional Indebtedness that is secured by this Mortgage and shall become immediately due and payable upon demand therefor, and shall bear interest from the date such loss or damage is sustained by Lender until paid. The obligations of Mortgagor under this Paragraph shall survive any termination or satisfaction of this Mortgage.

30. Amount of Indebtedness; Other Recourse Obligations. The aggregate amount of principal indebtedness secured by this Mortgage, exclusive of sums advanced to remedy defaults and protect the security of this Mortgage, will not in the aggregate exceed an amount equal to FIFTY THOUSAND DOLLARS (\$50,000). The Holder of the Note will have recourse to certain other

assets of Mortgagor other than the assets subject to the lien of this Mortgage pursuant to the Security Agreement for a lien on the personal property and business assets for Mortgagor.

31. Further Instruments. Mortgagor shall execute, acknowledge and deliver any and all such further conveyances, documents, mortgages and assurances, and do or cause to be done all such further acts, as Mortgagee may reasonably require to confirm and protect the lien of this Mortgage or otherwise to accomplish the purposes hereof forthwith upon the request of Mortgagee, whether in writing or otherwise.

32. Governing Law: Binding Effect. This Mortgage, made in the State of Indiana, shall be construed according to the laws thereof and shall be binding upon Mortgagor and its successors and assigns and any subsequent owners of the Mortgaged Premises, and all of the covenants herein contained shall run with the Premises, and this Mortgage and all of the covenants herein contained shall inure to the benefit of Mortgagee, its successors and assigns.

33. Fixture Filing. This Mortgage also constitutes a financing statement filed as a fixture filing under the Uniform Commercial Code with respect to goods which are or are to become fixtures relating to the Premises and as to which Mortgagor is the debtor and record owner of the Premises and Mortgagee is the secured party. It is to be recorded in the real estate records of the County in which the Mortgaged Premises is located. Mortgagor is the record owner of the Mortgaged Premises. The address of Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinafter set forth:

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Document is the property of the Lake County Recorder!

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If to any of the Mortgagor/Debtor:

c/o Scott Johnson
10002 West 173rd Avenue
Lowell, Indiana 46356

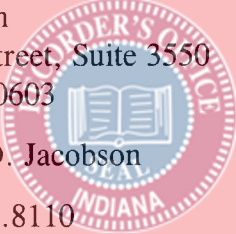
Phone: (219) 322-3346
Cell: (219) 508-4313
email: sjohsen7@netzero.com

If to Mortgagee/Secured Party:

Griffith & Jacobson
55 West Monroe Street, Suite 3550
Chicago, Illinois 60603

Attention: James D. Jacobson

Phone: 312.236.8110
Fax: 312.236.6724
email: jdj@gjlaw.com



34. Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be delivered or sent to Mortgagor at the address provided above and to Mortgagee at the address provided above, or to such other address as may be designated by

Mortgagor or Mortgagee to the other party hereto. All notices shall be deemed to have been given at the time of actual delivery thereof to such address, if sent by certified or registered mail, postage prepaid, to such address, on the third (3rd) day after the date of mailing, or if sent by email, teletype, telex or telegram, on the day when sent with confirmation of transmission (if sent before 1:00 p.m. Illinois time).

35. WAIVER OF JURY TRIAL. MORTGAGEE AND MORTGAGOR, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS MORTGAGE OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS MORTGAGE OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER OF THEM. NEITHER MORTGAGEE NOR MORTGAGOR SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY EITHER MORTGAGEE OR MORTGAGOR EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY BOTH OF THEM.

36. No Joint Venture. Mortgagor and Lender acknowledge and agree that under no circumstances shall Lender be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor, including without limitation by virtue of becoming a Lender in possession or exercising any of its rights pursuant to this Mortgage or pursuant to any of the other Related Documents, or otherwise.

37. Time of Essence. All covenants contained in this Mortgage will run with the land. It is specifically agreed that time is of the essence of this Mortgage and all provisions relating thereto shall be strictly enforced.

38. Notice to Mortgagors. In connection with the up to \$50,000 Loan to Scott, Lender has required each of the tenants by the entireties (if any) who own any interest in the Premises, to execute this Mortgage and grant a security interest in the Premises subject to this Mortgage and the Obligations therein. Lender would not have made the Loan without the grant of such mortgage in the entire indefensible and fee simple interest in the Premises by each of the Mortgagors. Accordingly, each of the undersigned acknowledges and agrees that:

- a. The Loan to Scott, will directly or indirectly benefit the undersigned;
- b. The undersigned understands that the loan is secured by a mortgage on the Premises owned by the undersigned as a tenant in common and that the grant of this Mortgage to Lender has serious economic and legal consequence in the event of a default by the Co-Borrowers, including, but not limited to the foreclosure and loss of the Premises secured under this Mortgage;
- c. The undersigned has been advised by counsel, or had the opportunity to be advised by counsel, in the negotiation, execution and delivery of this provisions, this Mortgage and any other Loan Documents to which the undersigned is a party, subject to or affected by.

d. The Lender's failure to require strict performance by any of the Co-Borrowers of any provision of, or to exercise any available remedy under, this Mortgage, the Note and any other agreement, instrument or other document of any Co-Borrower or other party related to any Co-Borrower for the benefit of the Lender will not waive, affect or diminish any right of the Lender thereafter to demand strict compliance and performance with the terms of, or to exercise any available remedy under, this Loan Agreement or any such other Loan Document or other document in the event of any subsequent Event of Default or continuance of any existing Event of Default after demand for strict performance hereof.

e. The joint and several obligations of each of the undersigned under this Mortgage shall be absolute and unconditional and shall remain in full force and effect until the entire principal, interest, penalties, premiums and late charges, if any, under the Note and all additional payments, if any, due pursuant to the Loan Agreement, and any other Loan Document (collectively, the "**Obligations**") has been paid and, until such payment has been made, shall not be discharged, affected, modified or impaired on the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to or the consent of any or all of the undersigned:

i. waiver, compromise, settlement, release, termination or amendment (including, without limitation, any extension or postponement of the time for payment or performance or renewal or refinancing) of any or all of the Obligations or agreements of any of the undersigned under the Loan Agreement or any other Loan Document;

ii. failure to give notice to any or all of the undersigned of the occurrence of an Event of Default under the terms and provisions of the Loan Agreement or any other Loan Document;

iii. release, substitution or exchange by the Lender of any Collateral securing any of the Obligations (whether with or without consideration), whether subject to this Mortgage or otherwise, or the acceptance by the Lender of any additional collateral or the availability or claimed availability of any other collateral or source of repayment or any non-perfection or other impairment of any Collateral;

iv. release of any person primarily or secondarily liable for all or any part of the Obligations whether by Lender or any other Holder of the Note or in connection with any voluntary or involuntary liquidations, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors or similar event or proceeding affecting any or all of the undersigned or any other person or entity who, or any of whose property, shall at the time in question be obligated in respect of the Obligations or any part thereof; or

v. to the extent permitted by law, any other event, occurrence, action or circumstance that would, in the absence of this clause, result in the release or discharge of any or all of the undersigned from the performance or observance of any obligation, covenant or agreement contained in the Loan Agreement, this Mortgage or any other Loan Document. The joint and several Obligations of each of the undersigned to Holder under this note shall remain in full force and effect (or be reinstated) until

Holder has received payment in full of all Obligations and the expiration of any applicable preference or similar period pursuant to any bankruptcy, insolvency, reorganization, moratorium or similar law, or at law or equity, without any claim having been made before the expiration of such period asserting an interest in all or any part of any payment(s) received by Holder.

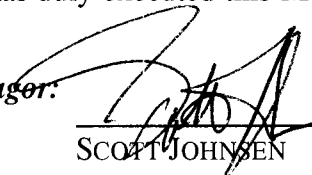
f. Each of the undersigned expressly agrees that Lender shall not be required first to institute any suit or to exhaust its remedies against any of the Co-Borrowers, any of the other undersigned or any other person or party to become liable under this Mortgage and/or hereunder or against any collateral, in order to enforce the Obligations owed by the undersigned under the Loan Agreement or under this Mortgage; and expressly agree that, notwithstanding the occurrence of any of the foregoing, each of the undersigned shall be and remain, directly and primarily liable for all sums due under this Mortgage and under the Loan Documents. On disposition by Lender of the property encumbered by this Mortgage, the Lender shall look only to the Co-Borrowers for any deficiency.

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IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the day and year first above written.

Mortgagor:


SCOTT JOHNSEN

STATE OF IL

SS:

COUNTY OF COOK

I, Mirinda Schultz, a Notary Public, DO HEREBY CERTIFY that Scott Johnsen, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument, as his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 2nd day of June, 2008.

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This Document is the property of the Lake County Recorder!

[SEAL]



Mirinda Schultz
Notary Public

STOP



STATE OF _____
COUNTY OF _____

SS:

I, _____, a Notary Public, DO HEREBY CERTIFY that SCOTT JOHNSEN, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument, as his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2008.

[SEAL]

Notary Public



**EXHIBIT A TO
MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND FIXTURE FILING
LEGAL DESCRIPTION OF THE PREMISES**

Commonly known as; 10002 West 173rd Avenue, Lowell, Indiana 46356

Tax Parcel Identification Numbers: 12-14-0006-0005

Legal Description:

N.2AC OF S.7AC PT. N1/2 NE1/2 E. OF DITCH S.12 T.35 R.10 EX. E.50FT 1.86AC



**EXHIBIT B TO
MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND FIXTURE FILING
PERMITTED ENCUMBRANCES**

1. Rights of the public in any stream, lake or other body of water abutting comprising a part of the premises described in Exhibit A.

