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STATE OF INDIANA
ELKHART COUNTY
FILED FOR RECORD

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SWORN STATEMENT AND NOTICE OF INTENTION TO HOLD MECHANIC'S LIEN
MORRIS W. CARTER
RECORDER


October 6, 2003

TO: Webb Construction, Inc.
3712 Hays Street
Gary, Indiana 46408

Please take notice that HBOS Manufacturing, LP, d/b/a/ Crest Homes (Claimant) with an office at 437 North Main St, Middlebury, Indiana 46540. intends to claim a lien on the Lancaster Apartments at the corner of Virginia Street and 21st Avenue, 2110 Delaware Place and 400 East 21st Place, Gary, IN (more fully described in Exhibit A attached hereto and made a part hereof) the , and improvements thereon, for the amount of Sixty-six Thousand One Hundred Seventeen Dollars and Fifty-six cents (\$66,117.56) for work and labor done and materials furnished by Claimant for improvements of said real estate within the last sixty (60) days, which improvements are more specifically described as follows: Labor and materials included in modular buildings delivered to the site. The undersigned individual executing this instrument, having been duly sworn upon his oath, under the penalties of perjury, hereby states that Claimant intends to hold a mechanic's lien upon the above-described real estate and the described improvements and that the facts and matters set forth in the foregoing statement are true and correct.

HBOS Manufacturing, LP
d/b/a Crest Homes

By

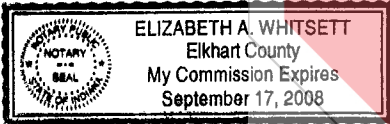


STATE OF INDIANA)
COUNTY OF ELKHART)

This Document is the property of
the Lake County Recorder!

Before me, a Notary Public in and for said County and State, personally appeared JEFF MILLER, who acknowledged the execution of the foregoing Sworn Statement and Notice of Intention to Hold Mechanic's Lien for and on behalf of HBOS Manufacturing, LP, d/b/a/ Crest Homes, and who, having been duly sworn, under the penalties of perjury, stated that the facts and matters therein set forth are true and correct.

Witness my hand and Notarial Seal this 6th day of October, 2003.



Signature Elizabeth A. Whitsett
Printed: ELIZABETH A. WHITSETT Notary Public

Residing in Elkhart County

My Commission Expires:
9-17-08

This instrument was prepared by Kennard R. Weaver, attorney at law.
Return to: Kennard R. Weaver, Baker & Daniels, 317 West Franklin Street, Elkhart, Indiana 46516

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EXHIBIT A

LEGAL DESCRIPTION

Real Estate in Lake County in the State of Indiana, to-wit:

Legal Description: That part of the east 1318.9 feet of the northwest quarter, Section 15, Township 36 North, Range 8 West, of the second principal meridian, described as follows: beginning at the northwest corner of said tract, thence south 00 degrees 05 minutes 27 seconds east (Meas.) and parallel with the east line of said northwest quarter a distance of 456.00 feet (Rec. & Meas.); thence south 52 degrees 44 minutes 18 seconds east (Meas.) with an interior angle of 127 degrees 10 minutes 15 seconds and parallel with the Northerly right of way line of the Pittsburgh, Fort Wayne and Chicago railroad a distance of 90.72 feet (Rec. & Meas.); thence south 37 degrees 15 minutes 42 seconds west at Right Angles with the northerly right of way of said railroad a distance of 118.45 feet (Rec. & Meas.) to the northerly right of way line of said railroad; thence north 89 degrees 54 minutes 42 seconds east (meas.) at an interior angle of 52 Degrees 39 minutes a distance of 632.45 feet (Rec. & Meas.) to the west line of Virginia Street; thence north 00 degrees 05 minutes 18 seconds west at right angles with the aforesaid line along the west line of Virginia Street a distance of 424.60 feet (Rec. & Meas.); thence north 88 degrees 40 minutes 18 seconds west with an interior angle of 91 degrees 25 minutes and parallel with the north line of said northwest quarter a distance of 125.00 feet (Rec. & Meas.); thence north 00 degrees 05 minutes 18 seconds west with an interior angle of 91 degrees 25 minutes and parallel with the west line of Virginia Street a distance of 165.00 feet (Rec. & Meas.) to the north line of said northwest quarter; thence north 88 degrees 40 minutes 31 seconds west along the north line of said northwest quarter a distance of 505.90 feet (Rec.) 506.47 feet (Meas.) to the point of beginning;

Less and except the following property:

All the following described real estate situate in the northwest quarter of section 15 township 36 north, range 8 west of the second principal meridian, in the City of Gary, Lake County, Indiana, more particularly described as follows:

Exception Parcel 1 Delaware Place and East 21st Place

A strip of land 50 feet wide in the northwest quarter of section 15, township 36 north, range 8 west of the second principal meridian, the center line being described as follows: Beginning at a point on the south line of 21st Avenue 417.91 feet west of the west line of Virginia Street; thence south and parallel with the west line of Virginia Street 204.90 feet (Rec. & Meas.) to a point of curvature; thence on a curve to the left of 100 feet radius to a point of tangency on a line which is at right angles to the west line of Virginia Street at a distance of 294.60 feet south of the south line of 21st Ave., measured on the west line of Virginia Street; thence east on said line 317.90 feet (Rec. & Meas.) to the west line of Virginia Street;

Exception Parcel 2 Public Alley

A strip of land 20 feet wide, the center line being described as follows: Beginning at the south line of 21st Ave., 135 feet west of the west line of Virginia Street; thence south 00 degrees 05 minutes 18 seconds west (Meas.) and parallel with the west line of Virginia Street 135 feet (Rec. & Meas.); thence south 88

degrees 40 minutes 18 seconds east and parallel with the south line of 21st Ave. 135 feet (rec. & Meas.) to the west line of Virginia Street; and

Exception Parcel 3 Public Alley

A strip of land 20 feet wide, the center line being described as follows: Beginning at a point on south line of 21st Ave. 606.03 feet west of the west line of Virginia Street; thence south and parallel with the east line of northwest quarter of section 15, township 36 north, range 8 west of the second principal meridian 385.16 feet (Rec. & Meas.); thence on a curve to the left of 36 feet radius with a central angle of 52 degrees 49 minutes 45 seconds to a point of tangency; thence on a tangent 56 feet (Rec. & Meas.); thence southeasterly at an angle of 20 degrees to the right 92.50 feet (Rec. & Meas.) to a point of curvature; thence on a curve to the left of 30 feet radius to a line which is at right angles to Virginia Street at a distance of 524.60 feet south of the south line of 21st Ave. measured along the west line of Virginia Street; thence east along said line a distance of 473.25 feet (Meas.) to the west line of Virginia Street.

Taxes for the year 2002, due and payable in 2003, shall be prorated as of the date of closing. Buyer to assume all subsequent taxes.

This conveyance is also made subject to the following conditions, covenants and restrictions, to-wit:

I. Grantee agrees and covenants with himself, his successors and assigns to proceed with the building and construction of sixty (60) mixed income town home units in accordance with a certain proposal submitted to the Redevelopment Commission on August 1, 2002 (Lancaster Apartments), which is incorporated herein by reference. That the construction shall commence within twelve months of the date of this conveyance and that same shall be completed within thirty-six months thereafter, provided, that if a mortgage securing money loaned to finance the improvements, or any part thereof, is insured by the Federal Housing Administration, then the aforesaid completion time shall not apply, but instead the construction of such improvements or part thereof shall be governed by the applicable Building Loan Agreement approved by the Federal Housing Administration; Provided, further that the construction of such improvements or part thereof as are subject to the foregoing provision shall in any event be completed within four years from the date of execution of such Building Loan Agreement. Grantee shall pay all real estate taxes or assessments on the property hereby conveyed or any part thereof when due and shall not place thereon any encumbrance or lien other than for construction and permanent financing of said improvements, and shall not suffer any levy or attachment to be made on said property. These conditions and conveyances shall run with the land and shall remain in full force and effect until a Certificate of Completion shall have been issued to Grantee and recorded in the Recorder's Office of Lake County, Indiana.

II. In addition, until said Certificate of Completion is issued, Grantee shall have no power to convey the property, or any part thereof, without the prior written consent of the Grantor, except to mortgage the real estate as security for obtaining temporary and permanent financing of the construction of said improvements, pursuant to construction and permanent financing that is insured by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner.

III. Grantee, for himself and his successors and assigns and all his grantees, both immediate and remote, agrees that said real estate, when so improved as herein provided, shall be used only for use as residential. It is further intended and agreed that this covenant shall run with the land up to and including December 31, 2039.

IV. Grantee, his successors and assigns agree that they will not effect or execute any agreement, lease, conveyance, or other instrument whereby the Property or any part thereof is restricted upon the basis of race, religion, color, or national origin in the sale, lease of occupancy thereof. Said Grantee, his successors and assigns agree that they will comply with all Federal, State and local laws, in effect from time to time, prohibiting discrimination or segregation by reason of race, religion, color or national origin in the sale, lease of occupancy of said Property; and it is intended and agreed that this covenant shall run with the land and that same shall be perpetual.

V. All agreements and covenants provided in this Deed shall be covenant running with the land and shall not in any event, and without regard to technical classification or designation, legal or otherwise, and except only as other specifically provided herein, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by, the Grantor, its successors and assigns and any successor in interest to the Grantee of the property, or any part thereof, and the owner of any other land (or of any interest in such land) in Lancaster Apartments Project, against the Grantor, its successors and assigns, to or of the property of any part thereof or any interest therein, and any party in possession or occupancy of the property or any part thereof, provided that, if title becomes vested in the Mortgagee or the Secretary of Housing and Urban Development under the above described construction and permanent financing insured by the Federal Housing Commissioner, the agreements and covenants provided by the Grantee herein shall terminate and be of no further force or effect.

