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044500740 #0

MORTGAGE

Daniel P. Peck (hereinafter individually and collectively called "Mortgagor") And Kathleen D. Peck (hereinafter individually and collectively called "Guarantor")

JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP

and

Rehab Investments, L.P. or assignee (hereinafter called "Mortgagee")

WHEREAS Mortgagor has executed and delivered to Mortgagee a certain Mortgage Note and/or Deed of Trust of even date herewith (hereinafter called the "Note" and "Deed" respectively) in favor of Mortgagee in the principal sum of Seventy Eight Thousand Dollars (\$78,000.00) (hereinafter "loan amount") payable at the times therein set forth and under the terms and conditions therein contained, all of which are incorporated herein by reference, in the following manner:

A. The sum of \$48,000.00 to be paid to Mortgagor/Borrower at closing.

B. Within three days from the date of this Agreement, the sum of \$30,000.00 to be deposited by Mortgagee/Lender in a trust account at Wachovia Bank in the name of Rehab Funding.

C. Mortgagor/Borrower and Mortgagee/Lender agree that all monies deposited into the trust account are pledged as collateral and as reimbursement of payment by Mortgagor/Borrower for services rendered by contractors in connection with renovations and improvement to 4104 Towle, Hammond, Indiana. Subject to the default provisions set forth below and in the attached Note and Deed, Mortgagor/Borrower and Mortgagee/Lender agree that no monies will be withdrawn from the trust account for any other purposes.

WHEREAS, in the event Mortgagor should become in default of this agreement, Guarantors hereby agree to assume all obligations and liabilities of Mortgagor including those set forth in the Mortgage and Note, and all addendums thereto, for the property located at 4104 Towle, Hammond, Indiana (See Schedule "A").

NOW THIS MORTGAGE WITNESSETH, that, in consideration for the aforesaid principal sum as security for the payment thereof, together with all other sums recoverable by Mortgagee under the terms of said Note and of this Mortgage, Mortgagor does hereby mortgage, grant and convey, with power of sale, unto mortgagee, and does agree that Mortgagee shall have a security interest in 4104 Towle, Hammond, Indiana.

TO HAVE AND TO HOLD said property, hereby granted, or mentioned and intended so to be, with the appurtenances (such property and appurtenances being hereinafter referred to together as the "Mortgaged Property"), unto Mortgagee, to her own use forever.

Stewart Title
of Northwest Indiana
The Pointe
5521 W. Lincoln Hwy.
Crown Point, IN 46307

2004-032302

FILED FOR RECORDS
LAKE COUNTY, INDIANA

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KM

1. Until the entire indebtedness secured by this Mortgage, including all sums due Mortgagee under the terms of this Mortgage and of the Note, is fully paid, Mortgagor covenants and agrees:

(a). To provide evidence of the timely payment of any and all annual real estate taxes assessed or to be assessed against the Mortgaged Property.

(b). To maintain fire and extended coverage hazard insurance on the Mortgaged property, in the amount of at least \$78,000.00 in such companies as are satisfactory to Mortgagee, and if said insurance or any part thereof shall expire, or be withdrawn, or become void by breach of any condition thereof by Mortgagor, or become void or unsafe by reason of the failure, or impairment of the capital of any company in which said insurance may then be, or if for any other reason whatsoever said insurance shall become unsatisfactory to Mortgagee, to effect new insurance on said Mortgaged Property satisfactory to Mortgagee and to lodge with Mortgagee as further security for said indebtedness, all policies therefore, with standard non-contributory mortgagee clauses attached in favor of and acceptable to Mortgagee and clauses providing for at least 30 days prior written notice to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagor. Mortgagor hereby directs any insurance company concerned pay directly to Mortgagee, not in excess of the unpaid indebtedness, any monies which may become payable under such insurance, including return of unearned premium, such monies, or any part thereof, to be applied at the option of Mortgagee to said unpaid balance or to the repair of the property damaged; and Mortgagor appoints Mortgagee as attorney-in-fact to endorse any draft therefore. In the event of foreclosure of her Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title, and interest of Mortgagor to any insurance policies then in force covering the Mortgaged Property shall pass to the transferee of the Mortgaged Property. Should Mortgagor fail to keep the requisite insurance in place, Mortgagee has the right to obtain insurance on the property and deduct the cost of such insurance from the proceeds from the sale of the property;

(c). Not to sell, convey, grant, assign, transfer, lease or interest therein, nor create, incur, assume or suffer to exist any mortgage, lien, charge, security interest or other encumbrances upon the Mortgaged Property or any part thereof which is prior or subordinate to the lien of this Mortgage without having obtained the prior written consent of Mortgagee which Mortgagee may, in its sole discretion, refuse to grant;

(d). To maintain the Mortgaged Property in good repair, order and condition, not to commit or suffer waste with respect hereto, not to remove from the Mortgaged Property real estate fixtures, appliances and equipment of any nature covered by the lien of this mortgage or the security interest created hereby without having obtained the prior written consent of Mortgagee; not to make, install, or permit to be made or installed, any alterations, additions, improvements, fixtures, appliance or equipment of any nature to or in the mortgaged real estate without obtaining the prior written consent of mortgagee and to permit Mortgagee, or its agents, at any reasonable times to enter upon the mortgaged real estate and the buildings and

improvements thereon erected for the purpose of inspecting and appraising the Mortgaged Property;

(e). To comply with all laws, ordinances, regulations and orders relating to the Mortgaged Property of all Federal, State, Municipal, and other governmental, administrative, judicial or quasi-judicial authorities or those of the condominium association and to notify Mortgagee in writing promptly upon receiving any notice of failure to so comply;

(f). To notify Mortgagee promptly upon receiving any notice of commencement of any proceedings for the condemnation for the Mortgaged Property, and to permit Mortgagee to participate in such proceeding and to receive all proceeds payable to Mortgagor as an award or in settlement up to the amount of the said indebtedness;

(g). In the event of default hereunder or under said Note, to pay to Mortgagee on demand its costs and expenses in connection with the curing of any such default, the collection of sums secured hereby, or obtaining possession of the Mortgaged Property, including but not limited to costs of any title search and reasonable attorney's fees.

(h). Not to allow the presence of any Hazardous Materials in, on or under the Mortgaged Property, except in amounts customarily utilized in connection with the rehabilitation work being performed (subject to the terms of this Mortgage) at the Mortgaged Property. In any event, any Hazardous Materials present at the Mortgaged Property shall be promptly removed by Mortgagor in accordance with all applicable laws. As used herein, "Hazardous Materials" shall mean any "hazardous substance" (as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act, and the rules and regulations promulgated pursuant thereto, as from time to time amended, or any other applicable state or local law), solid waste (as defined in the Resource Conservation and Recovery Act and the rules and regulations promulgated pursuant thereto, as from time to time amended), asbestos, contaminant, oil, radioactive or other materials, the removal of which from the Mortgaged Property is required or the maintenance of which on the Mortgaged Property is prohibited, restricted or regulated by any law, ordinance, rule, regulation, resolution or order of any local, state or federal agency, authority or governmental unit.

(i). To indemnify, defend and hold harmless Mortgagee and its affiliates, officers, directors, partners, members, shareholders and agents (collectively, the "Indemnitees") from and against any and all loss, cost, expense or liability whatsoever incurred by any Indemnitee as a result of the breach by Mortgagor of any of the covenants contained in (a)-(h) above or any negligence of Mortgagor relating to the Mortgaged Property.

2. In the event Mortgagor, after ten (10) days written notice, should fail to pay said taxes, condominium fees, water and sewer rents, assessments, charges, claims, costs, expenses for fees or to maintain said insurance, or to make all necessary repairs to the Mortgaged Property, as all hereinbefore provided, Mortgagee

may, at Mortgagee's sole option and without notice to Mortgagor, advance sums on behalf of Mortgagor in payment of said taxes, condominium fees, water and sewer rents, assessments, charges, claims, costs, expenses, fees, insurance and repairs, which repairs Mortgagor hereby authorized Mortgagee to make without prejudice to the right of enforcement of the obligation of the Note, or the other remedies of Mortgagee as herein set forth, by reason of the failure of Mortgagor to make payment of the same; and all such sums so advanced by Mortgagee shall be added to and become a part of the indebtedness secured hereby and repayment thereof, with interest thereon from the date of disbursement at the rate of Eighteen percent (18%) per annum, may be enforced by Mortgagee against Mortgagor at any time.

3. If the payment of any installment of principal and/or interest is not made on the date on which it shall fall due in accordance with the provisions of said Note, or in the performance of any of the terms, agreements or covenants contained in said Note or in this Mortgage, the Mortgagee may forthwith and without further delay:

a. Declare immediately due and payable the entire principal sum of the Note and all other sums payable by Mortgagor to Mortgagee as are hereby secured and withdraw all remaining funds from the escrow account; and/or

b. Enforce the Deed to Secure Debt or institute an action of mortgage foreclosure against the Mortgaged Property, or take such other action at law or in equity for the enforcement hereof and of said Note as the law may allow, and may proceed thereon to final judgment and execution thereon for the entire unpaid balance of the principal sum of the Note and for all other sums due Mortgagee in accordance with the provision hereof and of said Note, including all sums which may have been loaned by Mortgagee to Mortgagor after the date of this Mortgage, and all sums which may have been advanced by Mortgagee for taxes, condominium fees, water or sewer rents, fines, impositions, charges or claims, insurance, or repairs to the Mortgaged Property, all costs of suit, together with interest on any judgment obtained by Mortgagee at the rate of Eighteen percent (18%) per annum from and after the date of any Sheriff's sale until actual payment is made by the Sheriff of the full amount due Mortgagee, and reasonable attorney's fees actually incurred, for collection with further stay, and law, usage, or custom to the contrary notwithstanding; and/or institute an action of mortgage foreclosure against the Mortgaged Property, or take such other action at law or in equity for the enforcement hereof and of said Note as the law may allow, and may proceed thereon to final judgment and execution thereon for the entire unpaid balance of the principal sum of the Note and for all other sums due Mortgagee in accordance with the provision hereof and of said Note, including all sums which may have been loaned by Mortgagee to Mortgagor after the date of this Mortgage, and all sums which may have been advanced by Mortgagee for taxes, condominium fees, water or sewer rents, fines, impositions, charges or claims, insurance, or repairs to the Mortgaged Property, all costs of suit, together with interest on any judgment obtained by Mortgagee at the rate of Eighteen percent (18%) per annum from and after the date of any Sheriff's sale until actual payment is made by the Sheriff of the full amount due Mortgagee, and reasonable attorney's fees actually incurred, for collection with further stay, and law, usage, or custom to the contrary notwithstanding; and/or

c. Enter into possession of the Mortgaged Property, with or without legal action, and by force if necessary; collect all rents, issues and profits there from and, after deducting all costs of collection (including reasonable attorney's fee) and administration expense, apply the net rent, issues and profits, to the payment of taxes, condominium fees, water and sewer rents, fines, impositions, charges and claims, insurance premiums and all other carry charges, and to the maintenance, repair or restoration for the Mortgaged Property, or on account and in reduction of the principal and/or interest hereby secured, in such order and amounts as Mortgagee's sole discretion, may elect; and for said purpose Mortgagor hereby assigns to Mortgagee all rental due and to become due under any lease or leases of the Mortgaged Property whether now existing or hereafter created, as well as all rights and remedies provided in such lease or leases for the collection of said rents; and/or

d. Confess judgment as provided in the Note; and/or

e. The Mortgagor forfeits any refund and/or claim to any refund whatsoever of any deposit paid by Mortgagor to Mortgagee at settlement.

4. MORTGAGOR HEREBY AUTHORIZED AND EMPOWERS THE LAW FIRM OF SALTZ HOLLAENDER P.C., OR ANY ATTORNEY OF ANY COURT OF THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE TO APPEAR FOR MORTGAGOR AND AS ATTORNEY FOR MORTGAGOR TO SIGN AN AGREEMENT FOR ENTERING AN AMICABLE ACTION FOR EJECTION FOR POSSESSION TO THE MORTGAGED PROPERTY, AND TO CONFESS JUDGMENT THEREIN AGAINST MORTGAGOR IN FAVOR OF MORTGAGEE, WHERE UPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR THE POSSESSION TO THE MORTGAGED PROPERTY, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER; AND FOR SO DOING HIS MORTGAGE OR A COPY HEREOF VERIFIED BY AFFIDAVIT SHALL BE SUFFICIENT WARRANT. MORTGAGEE MAY BRING SUCH AMICABLE ACTIONS IN EJECTION BEFORE OR AFTER THE INSTITUTION OF FORECLOSURE PROCEEDINGS UPON THIS MORTGAGE, OR AFTER JUDGMENT THEREOF OR IN SAID NOTE, OR AFTER SHERIFF'S SALE OF THE MORTGAGED PROPERTY.

5. The remedies of Mortgagee as provided herein, or in said Note, and all warrants of attorney herein and in said Note contained, shall be cumulative and concurrent, and may be pursued singly, successively, or together against Mortgagor and/or the Mortgaged Property at the sole discretion of Mortgagee, and such warrants shall not be exhausted by any exercise thereof but may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no way be construed as a waiver or release of the same.

6. Mortgagor hereby waives and releases all errors, defects and imperfections in any proceeding instituted by Mortgagee under this Mortgage, as well as all benefits that might accrue to Mortgagor by virtue of any present or future laws exempting the Mortgaged Property or any part of the proceeds arising from any sale thereof, from attachment, levy or sale under the execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment.

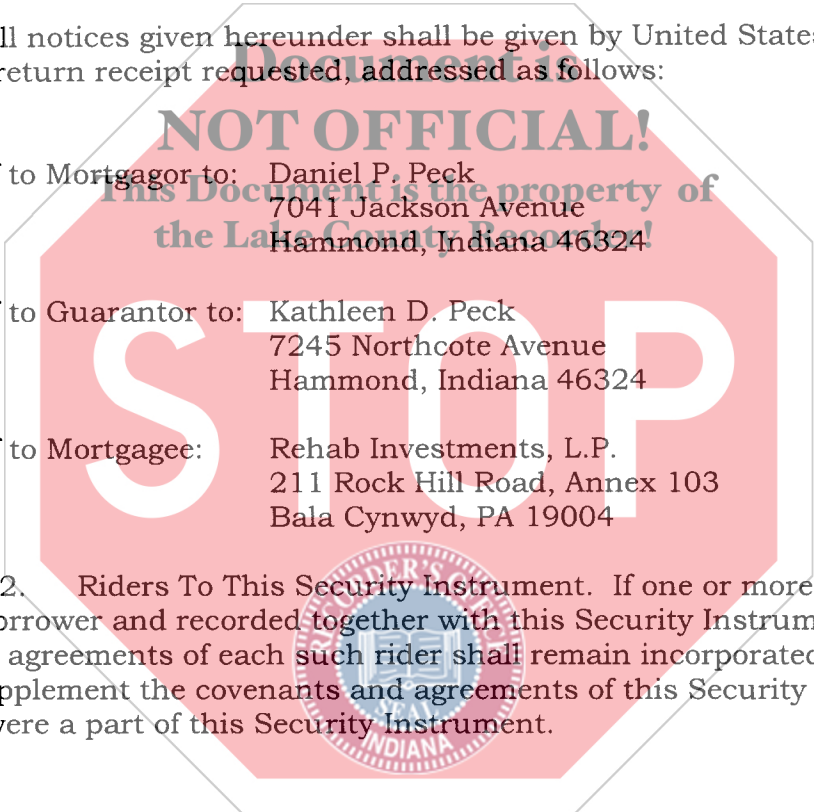
7. If Mortgagor pays to Mortgagee said principal sum and all other sums payable by Mortgagor to Mortgagee as are hereby secured, in accordance with the provisions of said Note and in the manner and at times therein set forth, without deduction, fraud, or delay, then and from thenceforth this Mortgage, and the estate hereby granted, shall cease and become void, anything herein contained to the contrary notwithstanding, and Mortgagee, at Mortgagor's expense, shall discharge and satisfy same of record.

8. The words "Mortgagor" and "Mortgagee" whenever occurring herein shall be deemed and construed to include the respective heirs, personal representatives, successors and assigns of Mortgagor and Mortgagee; and if there shall be more than one Mortgagor, the obligation of each shall be joint and several.

9. This Mortgage shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

10. If any provision of this Mortgage or the Note is prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent not prohibited or unenforceable nor render unenforceable such provision.

11. All notices given hereunder shall be given by United States registered or certified mail, return receipt requested, addressed as follows:



If to Mortgagor to: Daniel P. Peck
7041 Jackson Avenue
Hammond, Indiana 46324

If to Guarantor to: Kathleen D. Peck
7245 Northcote Avenue
Hammond, Indiana 46324

If to Mortgagee: Rehab Investments, L.P.
211 Rock Hill Road, Annex 103
Bala Cynwyd, PA 19004

12. Riders To This Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall remain incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

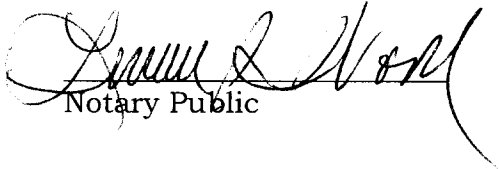
[Check applicable boxes]

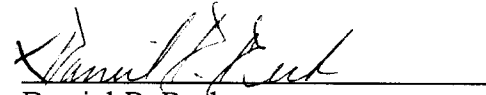
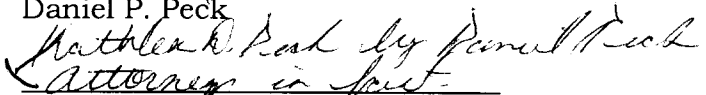
- Adjustable Rate Rider
- Graduated Payment Rider
- Biweekly Payment Rider
- Rate Improvement Rider
- Other(s) [specify]

- Condominium Rider
- Planned Unit Development Rider
- Balloon Rider
- Second Home Rider
- 1-4 Family Rider
- V.A. Rider

IN WITNESS WHEREOF, Mortgagor and Guarantor have duly executed this Mortgage under seal.

Date: 4-19-04

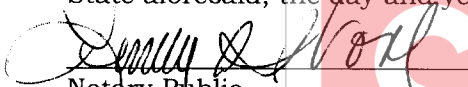

 Notary Public

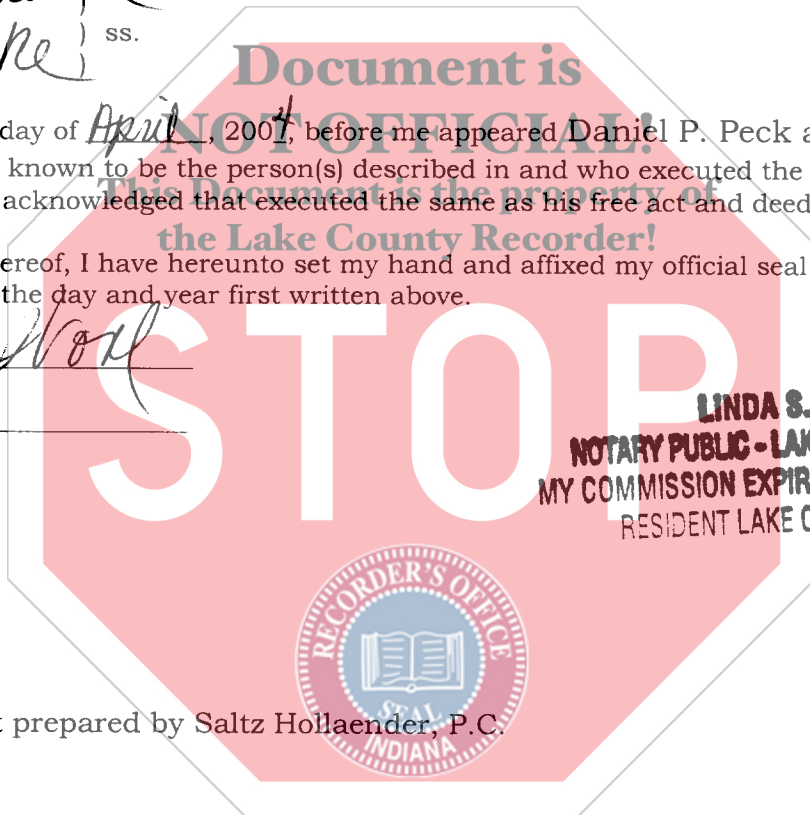

 Daniel P. Peck

 Kathleen D. Peck
 As Guarantor for Daniel P. Peck

State of Indiana
 County of Lake ss.

On this 19th day of April, 2004, before me appeared Daniel P. Peck and Kathleen D. Peck, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that executed the same as his free act and deed.

In testimony whereof, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first written above.


 Notary Public
 My Term Expires: _____



LINDA S. WOOD
NOTARY PUBLIC - LAKE COUNTY, INDIANA
MY COMMISSION EXPIRES OCTOBER 17, 2006
RESIDENT LAKE COUNTY INDIANA

This document prepared by Saltz Hollaender, P.C.

CASE NO. 044500740

EXHIBIT A - LEGAL DESCRIPTION

Lot 40 in Rohe's Resubdivision of Block 3 of Winslow's Addition to the City of Hammond, as per plat thereof, recorded in Plat Book 11, page 35, in the Office of the Recorder of Lake County, Indiana.

