

LAKE COUNTY  
FILED FOR RECORD

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**MORTGAGE**

(With Future Advance Clause)

RECORDED

THIS MORTGAGE ("Security Instrument") is given on December 10, 2004. The mortgager(s) is John Ramirez ("Borrower"), who reside at 4008 Henry Ave, Hammond, IN 46327.

This Security Instrument is given to Pegasus Advisors, Inc., which is organized and existing under the laws of the state of Nevada, and whose principal address is 4601 West Sahara Avenue, Suite 110 Las Vegas, NV 89102 ("Lender").

Borrower owes Lender the principal sum of Thirty-Five Thousand Dollars (U.S. \$35,000). This debt is evidenced by Borrower's note dated the same date as the Security Instrument ("Note"), which provides for a single balloon payment of the full debt, together with accrued interest calculated at a rate of \$146 per calendar month or portion thereof, if not paid earlier, due and payable on December 9, 2009.

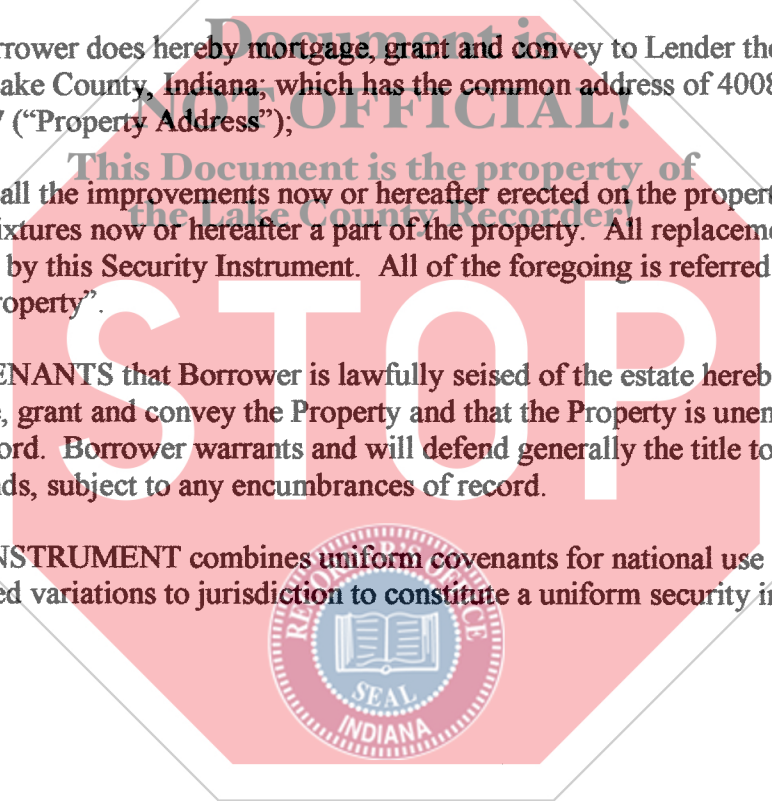
This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note.

For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Lake County, Indiana; which has the common address of 4008 Henry Ave, Hammond, IN 46327 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations to jurisdiction to constitute a uniform security instrument covering real property.



19.00  
Km  
Cash

LAKELAND COUNTY, INDIANA  
**SUBORDINATION OF MORTGAGE**

This subordination agreement is made the 1<sup>st</sup> day of August, 2003, by and between the HAMMOND DEVELOPMENT CORPORATION, of 5246 Hohman Avenue, Hammond, Lake County, Indiana ("Mortgagee"), CONTOUR MORTGAGE GROUP, INC., of 1574 East 85<sup>th</sup> Avenue, Merrillville, Lake County, Indiana ("Lender"), JOHN J. RAMIREZ, Individually, of 4008 Henry Avenue, Hammond, Lake County, Indiana ("Mortgagor"), MARY RAMIREZ of 4008 Henry Avenue, Hammond, Lake County, Indiana ("Personal Guarantor") and R1TECH, LLC, 4008 Henry Avenue (formerly located at 6949 Kennedy Avenue), Hammond, Lake County, Indiana ("Debtor").

**Recitals**

A. Mortgagee is the owner and holder of certain Promissory Notes, dated July 13, 2001, September 18, 2001, and January 18, 2002, for a total sum in excess of \$41,000.00 and interest, from the Debtor, secured by Security Agreements, Financing Statements, Personal Guarantees of the Mortgagor and the Personal Guarantor, and a certain mortgage for the sum of \$35,000.00 (plus future advances by Mortgagee to Debtor in total principal amount not to exceed \$30,000.00) and interest, made by Mortgagor to Mortgagee, dated July 13, 2001, and recorded on July 18, 2001, in the office of the Recorder of Lake County, Indiana, as document number 2001056367, and covering the following- described premises (the "Real Estate"):

Lot 22, except the North 39.62 feet thereof, and the North 35 feet of Lot 21 in Block 6 in the Hammond Steel City Addition to Hammond, as per plat thereof, recorded October 10, 1924, in Plat Book 17, Page 18, in the Office of the Recorder, of Lake County, Indiana.

Tax Key Number: 26-34-34-21

Commonly Known As: 4008 Henry Avenue  
Hammond, IN 46327

COMMUNITY TITLE COMPANY

FILE NO. L 26869

B. Lender is about to loan \$93,190.00 to refinance note of Mortgagor ("Note"), secured by a mortgage on and covering the above-described premises ("Mortgage").

C. To induce lender to make the loan, it is necessary that the mortgage held by Mortgagee be subordinated to the lien of the Mortgage about to be made to lender as set forth above.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

**SECTION ONE.  
SUBORDINATION**

1.01 Mortgagee covenants, consents, and agrees with lender that the above-mentioned mortgage held by Mortgagee is and shall continue to be subject and subordinate in lien to the lien

216079.v.3/3277-00001



*14.  
OK*

# DEMAND PROMISSORY NOTE

Secured by Real Estate Mortgage

This Promissory Agreement ("Note") is made by and between Pegasus Advisors Inc., a Nevada Corporation with its principal place of business at 4601 West Sahara Avenue, Suite I, Las Vegas NV 89102 ("Holder"), and John Ramirez, 4008 Henry Ave, Hammond, IN 46327 ("Maker").

Maker promises to pay to the order of Holder the sum of Thirty-Five Thousand Dollars (\$35,000) together with interest in the amount of One Hundred Forty-Six Dollars (\$146) per calendar month or any portion thereof, commencing on the date of this agreement, and continuing for a period of five (5) years; at which time the entire balance of the Note including interest shall become due and payable. Debtor may elect to prepay this Note at their option without penalty.

Payment of this Note shall be made by certified funds payable to Holder, in United States Dollars. All payments and inquiries shall be made to:

Art Hoflafer  
Pegasus Advisors, Inc.  
4601 West Sahara Ave. Suite I  
Las Vegas, NV 89102  
(702) 943-0813

If any payment pursuant to this Note is not paid when demanded, the entire unpaid principal and interest shall, at the option of the holder of this Note ("Holder"), become immediately due and payable. Forbearance on the part of the Holder in accelerating or pursuing collection of this Note shall not operate as a waiver of the right to do so at any future date. Upon default, the Holder shall be entitled to recover all costs of collection, including, but not limited to reasonable attorney fees.

This note is payable without relief from valuation or appraisal laws. This note may be prepaid in full, or in part, without penalty. Payments shall be applied first to costs of collection, then to interest, then to principal.

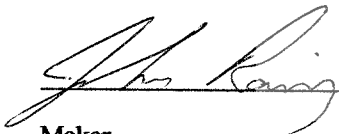
Presentment, notice of dishonor and protest are waived by all makers, sureties, guarantors and endorsers of this Note. This note shall be the joint and several obligations of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors, assigns and legal representatives.

This note shall be governed by Nevada Law. Time shall be of the essence. If this Note is inconsistent with any security agreement or mortgage, the provisions of this Note shall control.

This note is secured by a Real Estate Mortgage of even date.

Maker acknowledges that the above Promissory Note and disclosures have been read and fully understood prior to the signing of the Promissory Note.

This note is executed on December 10, 2004



Maker

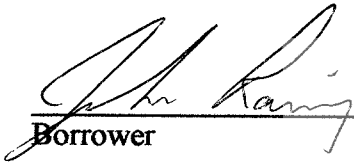


Maker

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower covenants to pay and maintain current all (a) yearly property taxes and/or other assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) adequate hazard insurance in an amount not less than the face value of this Mortgage.

This agreement is signed this 11 day of December, 2004.

  
Borrower

Document is  
**NOT OFFICIAL!**

Borrower

**ACKNOWLEDGMENT:**

This Document is the property of  
the Lake County Recorder!

Before me, the undersigned, a Notary Public in and for said County and State, this 10th day December 2004, personally appeared and acknowledged the execution of the foregoing Deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My commission expires: 11/14/12

  
Notary Public



Resident of Porter County