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DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on this day of January 2005

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2005 015421

2005 MAR -3 AM 8:00

The Borrower is: Daniel Peck

The Trustee is Royal Title Services

MICHAEL A. ...
RECORDER

The Lender is Rehab Investments, L.P., which is organized under the laws of the Commonwealth of Pennsylvania, and whose address is 211 Rock Hill Road, Annex 103, Bala Cynwyd, PA 19004.

Borrower owes Lender the principal sum of \$78,880.00, 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:

- C. The sum of \$49,980.00, to be paid to Borrower at closing; and
- D. Within three days from the date of this Security Instrument, the sum of \$28,900.00 to be deposited by Lender in a trust account at Wachovia Bank National Association in the name of Rehab Funding Escrow Account. Borrower and Lender agree that all monies deposited into the trust account are pledged as collateral and as reimbursement of payment by Borrower for services rendered by contractors in connection with renovations and improvements to the Property described hereinafter, and that subject to the default provisions set forth herein, no monies shall be withdrawn from the trust account for any other purposes.

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable no later than January 31, 2006. 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 hereunder to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust with Power of Sale, the following described Property: 4631 Towle Avenue, Hammond, Indiana 46327;

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

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record.

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-> Royal Title

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

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, interest, fees, costs and other charges on the debt evidenced by the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and 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) yearly hazard or Property insurance premiums; (d) yearly flood insurance premiums and/or mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a Lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds set a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of the Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest on earning on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Fund and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured in this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by the applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under this Security Instrument, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of payments.** Unless applicable law provides otherwise, all payments received by Lender shall be applied first to the amounts payable under paragraph 2, then to the payment of all fees, costs and charges as set forth in the Note (excluding principal and interest), then to accrued interest, and the balance to principal.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property, which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. If Borrower makes these payments directly to the person owed payment, Borrower shall promptly furnish to Lender all notices of amounts paid under this paragraph and promptly furnish to Lender receipts evidencing said payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against any loss by fire, hazards included with the term "extended coverage" and any other hazards, including floods or flooding for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to the Lender's approval, which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notices to the insurance carrier and Lender. Lender may make proof of loss if not made promptly to Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair if economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible and Lender's security would be lessened,

the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days of a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall not occupy or allow to be occupied the Property during the life of the loan after the execution of this Security Instrument, unless Lender otherwise agrees in writing, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall comply with all laws, ordinances, regulations and orders relating to the Property as well as the directives of all federal, state, municipal and other government, administrative, judicial or quasi-judicial authorities and shall notify Lender in writing promptly upon receiving any notice of failure to so comply. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the loan evidenced by the Note, including but not limited to, representations concerning occupancy of the Property. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect the Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's action may include paying any sums secured by a lien, which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so. Borrower shall indemnify, defend and hold harmless Lender from and against all loss, cost, expense or liability whatsoever incurred as a result of Borrower's negligence and/or breach of any of the covenants contained herein.

8. **Mortgage Insurance.** If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

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11. **Borrower Not Released; Forbearance By Lender Not A Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver or preclude the exercise off any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-signors.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of this Security Instrument. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

13. **Loan Charges – Usury Limitation.** If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges contracted, charged and/or collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from Borrower which exceed permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed by Borrower under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflict with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provisions. To this end, the provisions of this Security Instrument and the Note are declared to be severable.

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16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security instrument.

17. **Sale of Note; Change of Loan Servicer.** The Note or partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

18. **Hazardous substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any environmental law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of hazardous substances that are generally recognized to be appropriate to normal uses and to maintenance of the Property. Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any hazardous substance or environmental or regulatory authority, that any removal or other remediation of any hazardous substances affecting the Property is necessary. Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this paragraph, "Hazardous Substances" are those substances defined as toxic or hazardous substances by environmental and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "environmental law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

19. **Events of Default.** The occurrence of any of the following events will be deemed an "Event of Default" by Borrower under this Security Instrument giving rise to the Lender's rights and remedies as described herein: (i) nonpayment of any principal, interest, fees, costs or other charges when due pursuant to the terms of this Note; (ii) material untruth of any representations and/or failure to perform any of the covenants and agreements contained within this Security Instrument; (iii) the entry of any court order/judgment or the filing by or against Borrower of any legal proceeding (including but not limited to any bankruptcy, receivership or insolvency proceeding) which adversely affects the Lender's interests; (iv) the sale, transfer, conveyance or other encumbrance of the Property, in whole or in part, without the prior written consent of the Lender; (v) an Event of Default under any other note, agreement and/or other document pursuant to paragraph 26 of this Security Instrument, including but not limited to the

Note which this Security Instrument secures; (vi) Failure to provide Lender with the name and addresses of tenants at the Property Address and failing to transmit rent payments to Lender upon default; and/or (vii) Failing to maintain and/or protect the property in good condition.

20. **Remedies.** Unless otherwise prohibited by law, upon the occurrence of an Event of Default by Borrower, Lender may, in its sole discretion, invoke one or more of the following remedies after providing any notices required by applicable law: (i) declare the unpaid and outstanding balance due under the Note, including all principal, interest, fees, costs and other charges, to be accelerated and immediately due and payable; (ii) invoke the Power of Sale and/or institute an action or actions at law or in equity for the enforcement of this Security Instrument; (iii) enter into possession of the Property, with or without legal action, or, in the alternative, Lender shall be entitled as of right to the appointment of a receiver without regard to the solvency of Borrower and regardless of whether Borrower has an adequate remedy at law; (iv) assess and collect late charges in the amount of eighteen percent (18%) of each overdue payment per month until the balance due is satisfied in full; (v) assess and collect the Default Rate of Interest, as set forth at Section 2 of the Note, until the entire amount due and owing under the terms of this Note is paid in full (whether or not a judgment is entered); (vi) upon placement with an attorney, collect all out-of-pocket expenses and attorney's fees in the amount of twenty percent (20%) of the outstanding balance due under the Note (or, the actual amount of the reasonable attorney's fees incurred, if greater than twenty percent (20%) of the outstanding balance due under the Note); (vii) assess and collect loan extension fees in the amount of one percent (1%) of the outstanding principal balance due for each month after the Maturity Date in which the total balance due remains unsatisfied and (viii) invoke any other remedies permitted by applicable law.

21. **Power of Sale.** **LENDER AT ITS OPTION MAY INVOKE THE POWER OF SALE AND ANY OTHER REMEDIES PERMITTED BY APPLICABLE LAW. IF LENDER INVOKES THE POWER OF SALE, LENDER OR TRUSTEE SHALL MAIL COPIES OF A NOTICE OF SALE IN THE MANNER PRESCRIBED BY APPLICABLE LAW TO BORROWER AND TO THE OTHER PERSONS PRESCRIBED BY APPLICABLE LAW. TRUSTEE, WITHOUT DEMAND ON BORROWER, SHALL SELL THE PROPERTY AT PUBLIC AUCTION TO THE HIGHEST BIDDER FOR CASH AT THE TIME AND PLACE AND UNDER THE TERMS DESIGNATED IN THE NOTICE OF SALE IN ONE OR MORE PARCELS AND IN ANY ORDER TRUSTEE DETERMINES. LENDER MAY PURCHASE THE PROPERTY AT ANY SALE. TRUSTEE SHALL DELIVER TO THE PURCHASER TRUSTEE'S DEED CONVEYING THE PROPERTY WITHOUT ANY COVENANT OR WARRANTY EXPRESSED OR IMPLIED. THE RECITALS IN THE TRUSTEE'S DEED SHALL BE PRIMA FACIE EVIDENCE OF THE TRUTH OF ALL STATEMENTS MADE THEREIN. TRUSTEE SHALL APPLY THE PROCEEDS OF THE SALE IN THE FOLLOWING ORDER: (A) TO ALL EXPENSES OF THE SALE, INCLUDING, BUT NOT LIMITED TO, REASONABLE TRUSTEE'S AND ATTORNEY'S FEES; (B) TO ALL SUMS SECURED BY THIS SECURITY INSTRUMENT; AND (C) ANY EXCESS TO THE PERSON OR PERSONS LEGALLY ENTITLED TO IT.**

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22. **Remedies Concurrent.** Lender's remedies, as provided herein and in the Note, shall be cumulative and concurrent, and may be pursued singly, successively, or together against Borrower and/or the Property at Lender's sole discretion; and Lender's remedies 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 remedies shall in no way be construed as a waiver or release of same.

23. **Waiver of Errors or Defects.** Borrower hereby waives and releases all errors, defects and imperfections in any proceeding instituted by Lender under this Security Instrument, as well as the benefits that might accrue to Borrower by virtue of any present or future laws exempting the Property or any part of the proceeds arising from any sale thereof, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment.

24. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower, Borrower may pay any recordation costs.

25. **Successor Trustee.** Lender, at its option, may from time to time remove Trustee and appoint a successor Trustee appointed hereunder by an instrument recorded in the county in which this Security Instrument is recorded. Without conveyance of the Property, the successor Trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

26. **Cross-Collateral Provision.** An Event of Default under any note, agreement and/or other documents executed by Borrower in favor of Lender shall be considered an Event of Default under this Security Instrument and all other notes, agreements and/or other documents that have been executed by Borrower in favor of Lender. Any property, whether real, personal or mixed ("Collateral"), which secures any other note, agreement and/or any other documents executed by Borrower in favor of Lender shall be deemed Collateral pursuant to the terms of this Security Instrument.

27. **Assignment of Rents.** Borrower hereby assigns to Lender the right, upon demand by Lender, to collect any and all rents due by tenants occupying the Property (the "Tenants") and to apply said collected rents to the balance due by Borrower pursuant to the terms of the Note and this Security Instrument. For the purposes set forth herein, Lender shall be and is hereby made, constituted and appointed the true and lawful Attorney-in-Fact of Borrower (with full power of substitution and revocation) and in the name, place and stead of Borrower, and in the sole and uncontrolled discretion of said Attorney, to cause the assignment to Lender of any and all leases to Tenants with regard to the Property (the "Leases") which have not been so assigned after request by Lender. The foregoing appointment, being coupled with an interest, is irrevocable until the balance due by Borrower pursuant to the terms of the Note and this Security Instrument are fully satisfied. Borrower shall, within forty-eight hours of the execution of each Lease, provide to Lender a true and correct copy of said Lease. Borrower's obligation to provide copies of all Leases shall be ongoing such that if there is a change in tenant, or if Lease is

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**BALLOON RIDER
READ CAREFULLY**

THE LOAN MADE TODAY BY Rehab Investments, L.P. IN THE PRINCIPAL AMOUNT OF \$78,880.00 IS PAYABLE IN FULL ON OR BEFORE January 31, 2006. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. Rehab Investments, L.P. ARE UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER, WHICH MAY OR MAY NOT BE WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM Rehab Investments, L.P.

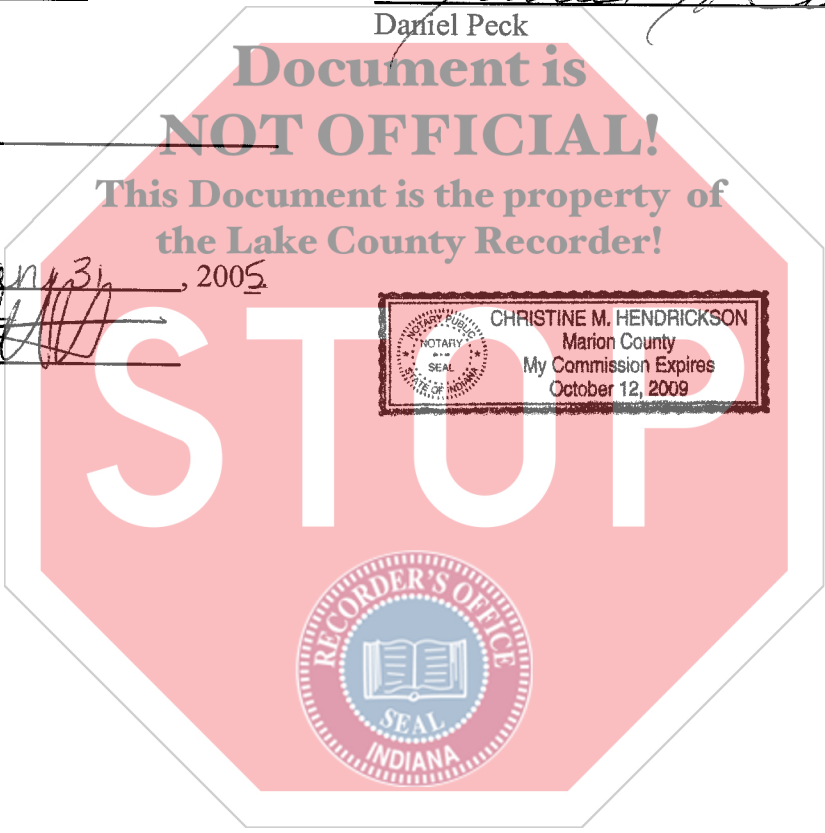
The undersigned borrowers warrant and represent that they have read and fully understand the above disclosure. The undersigned borrowers also acknowledge receipt of a copy of this disclosure.

01-31-05
Date

Daniel Peck
Daniel Peck

Witness

This January 31, 2005
[Signature]
Notary Public



LEGAL DESCRIPTION

THE FOLLOWING DESCRIBED REAL ESTATE LOCATED IN LAKE COUNTY, INDIANA:

Lot 16 and the North 1/2 of Lot 17, Block 12, Subdivision of the East Part of North Side Addition to Hammond, as shown in Page 1 Book 97, in Lake County, Indiana.

Caption Real Estate is commonly known as: 4631 Towle Avenue, Hammond, IN 46327



04-6828; Revision #5 (January 28, 2005)