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RECORDER

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RECORDER

REAL ESTATE PURCHASE MONEY MORTGAGE

THIS INDENTURE WITNESSETH, that HFG, LLC, a limited liability company organized under the laws of the State of Illinois, (the "Mortgagor"), in consideration of Ten Dollars (\$10.00) and for other good and valuable consideration paid in hand, the receipt and sufficiency whereof is hereby acknowledged, MORTGAGES AND WARRANTS to PILGRIM FINANCING, L.L.C., (the "Mortgagee") a limited liability company organized under the laws of the State of Indiana, the following described real estate in Lake County, Indiana:

Lot Numbered 4 in Block 25 as shown on the recorded plat of Calumet Addition to East Chicago recorded in Plat Book 8, page 32 in the Office of the Recorder of Lake County, Indiana

COMMONLY KNOWN AS 4907 Grasselli Avenue, East Chicago, IN 46312

KEY NUMBER: 007-24-30-0217-0004

(hereinafter referred to as the "Mortgaged Premises") together with all rights, privileges, interests, easements, hereditaments, appurtenances, fixtures and improvements now or hereafter belonging, appertaining, attached to, or used in connection with, the Mortgaged Premises, and all the rents, issues, income and profits thereof.

This Mortgage is given to secure the performance of the provisions hereof and the payment of a certain promissory note ("Note") dated January 16, 2008, in the principal amount of ELEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$11,500.00), payable One Hundred Eighty (180) Days from the date thereof.

The Mortgagor (jointly and severally) covenant and agree with the Mortgagee that:

- 1. Payment of Indebtedness.** This Mortgage is given to secure the payment of the Note, on the dates and in the amounts, respectively, as provided in the Note or in this Mortgage, without relief from valuation and appraisal laws, and with attorneys' fees, court costs and collection costs.
- 2. Future Advances; Modification of Indebtedness.** This Mortgage is also given to secure all indebtedness or liability presently existing or hereafter created, of every kind, character and description, of the Mortgagor and any Maker of the Note to the Mortgagee. By way of example and not limitation, such hereafter created indebtedness or liability may include future loans or advances, modifications of the original indebtedness agreed to by the parties changing the total amount due or the time for repayment or any other such modification, or all other

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indebtedness that may accrue to said Mortgagee by reason of the Mortgagor or any Maker of the Note. This Mortgage shall secure the full amount of said indebtedness without regard to the time when same was made.

3. **No Liens.** The Mortgagor shall not permit any lien of mechanics or materialmen to attach to and remain on the Mortgaged Premises or any part thereof for more than 45 days after receiving notice thereof from the Mortgagee.
4. **Repair of Mortgaged Premises; Insurance.** The Mortgagor shall keep the Mortgaged Premises in good repair and shall not commit waste thereon. The Mortgagor shall procure and maintain in effect at all times adequate insurance through insurance companies acceptable to the Mortgagee against loss, damage to, or destruction of the Mortgaged Premises because of fire, windstorm or other such hazards in such amounts as the Mortgagee may reasonably require from time to time, and all such insurance policies shall contain proper clauses making all proceeds of such policies payable to the Mortgagee and the Mortgagor as their respective interests may appear. All such policies of insurance shall be delivered to and retained by the Mortgagee until the indebtedness secured hereby is fully paid. In the event of loss, damage to, or destruction of the Mortgaged Premises and at the sole option of the Mortgagee, the Mortgagee may elect to apply any insurance proceeds towards the payment of the indebtedness and the Mortgagor shall execute any and all documents necessary for this purpose.
5. **Taxes and Assessments.** The Mortgagor shall pay all taxes or assessments levied or assessed against the Mortgaged Premises, or any part thereof, as and when the same become due and before penalties accrue.
6. **Advancements to Protect Security.** The Mortgagee may, at his option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Mortgage. All sums so advanced and paid by the Mortgagee shall become a part of the indebtedness secured hereby and shall bear interest from the date or dates of payment at the rate of Thirty-Six per centum (36%) per annum. Such sums may include, but are not limited to, insurance premiums, taxes, assessments and liens which may be or become prior and senior to this Mortgage as a lien on the Mortgaged Premises, or any part thereof, and all costs, expenses, and attorney's fees incurred by the Mortgagee in respect of any and all legal or equitable proceedings which relate to this Mortgage or to the Mortgaged Premises.
7. **Default by Mortgagor; Remedies of Mortgagee.** Upon default of any payment provided for herein or in the Note, or in the performance of any covenant or agreement of the Mortgagor hereunder, or if the Mortgagor shall abandon the Mortgaged Premises, or if a trustee or receiver shall be appointed for the Mortgagor or for any part of the Mortgaged Premises, except if said trustee or receiver is appointed in any bankruptcy action, then and in any such event, the entire indebtedness secured hereby shall become immediately due and payable at the option of the Mortgagee, without notice, and this Mortgage may be foreclosed accordingly. Upon such foreclosure the Mortgagee may continue the abstract of title to the Mortgaged Premises, or obtain other appropriate title evidence, and may add the cost thereof to the principal balance due. Further, upon a default by the Mortgagor as described above or upon the Mortgage being foreclosed and in either case at the sole option of the Mortgagee, Mortgagor agrees to the appointment of a receiver.
8. **Non-Waiver; Remedies Cumulative.** No delay by the Mortgagee in the exercise of any of his rights hereunder shall preclude the exercise thereof so long as the Mortgagor is in default hereunder, and no failure of the Mortgagee to exercise any of his rights hereunder shall preclude the exercise thereof in the event of a subsequent default by the Mortgagor hereunder. The Mortgagee may enforce any one or more of his rights or remedies hereunder successively or concurrently.
9. **Extensions; Reductions; Renewals; Continued Liability of Mortgagor.** The Mortgagee at his option, may extend the time for the payment of the indebtedness, or reduce the payments thereon, or accept a renewal note or notes therefore, without consent of any junior lien holder, and without the consent of the Mortgagor if the Mortgagor has then parted with title to the Mortgaged Premises. Further, all those claiming by, through, or under the Mortgagor consent to any changes or increases in the interest rate or principal amount of the Mortgage

indebtedness agreed to by the Mortgagee and the Mortgagor, their successors and assigns, without consent of any junior lien holder. No extension, reduction, renewal, change or increase shall affect the priority of this Mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of the Mortgagor and any Make of the Note to the Mortgagee.

10. **Transfer of the Mortgaged Premises or a Beneficial Interest in Mortgaged Premises.** As used in this paragraph "Interest in the Mortgaged Premises" means any legal or beneficial interest in the Mortgaged Premises, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title in the Mortgaged Premises at a future date to a purchaser. If all or any part of the Mortgaged Premises or any Interest in the Mortgaged Premises is sold or transferred without Mortgagee's prior written consent, Mortgagee may require immediate payment in full of all sums secured by this Mortgage. Mortgagor expressly waives any and all Notice from Mortgagee that Mortgagee intends to exercise its remedies under this paragraph.
11. **Dragnet.** In addition to securing the aforesaid Note, it is the intention of the Mortgagor and the parties that the security of this Mortgage shall also operate upon pre-existing or subsequently created indebtedness not specifically described in this Mortgage and that this Mortgage shall secure the payment of any other liabilities, joint, several, direct, indirect, or otherwise, that HFG, LLC and Richard J. Dawson, Jr. and HFG, LLC or either or any of them may at any time owe to the Mortgagee and/or its assigns under the same terms and conditions as contained herein. This Mortgage shall secure any such indebtedness up to the maximum amount of twenty million dollars (\$20,000,000.00).
12. **Waiver of Marshalling.** Notwithstanding the existence of any other security interest in the Mortgaged Premises or Collateral held by Mortgagee or by any other party, Mortgagee shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Mortgagor and any other party who consents to this Mortgage and any party who now or hereafter acquires a security interest in the Mortgage Premises or Collateral hereby waives any and all right to require the marshalling in connection with the exercise of any of the remedies permitted by applicable law or provided herein.
13. **General Agreement of Parties.** All rights and obligation hereunder shall extend to and be binding upon the several heirs, representatives, successors and assigns of the parties to this Mortgage. When applicable, use of the singular form of any word also shall mean or apply to the plural and masculine form shall mean and apply to the feminine or the neuter. The titles of the several paragraphs of this Mortgage are for convenience only and do not define, limit or construe the contents of such paragraphs.
14. **Authority to Execute.** The undersigned person(s) executing the Mortgage on behalf of Mortgagor represent and certify that, where necessary, they are duly elected officers of Mortgagor and have been fully empowered, by a proper resolution of the appropriate authorities, to execute and deliver the Mortgage and all necessary corporate action for the making of such Mortgage has been taken and done.

*****SIGNATURE PAGE TO FOLLOW*****



IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage, this January 16, 2008.

HFG, LLC

By: *[Signature]*
Richard J. Dawson, Jr.
Manager/Member

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, a Notary Public, in and for said County and State, personally appeared Richard J. Dawson, Jr. in his capacity as member of HFG, LLC, who acknowledged the execution of the foregoing instrument for the purposes described therein.

Witness my hand and Notarial Seal this January 16, 2008.

My commission expires:

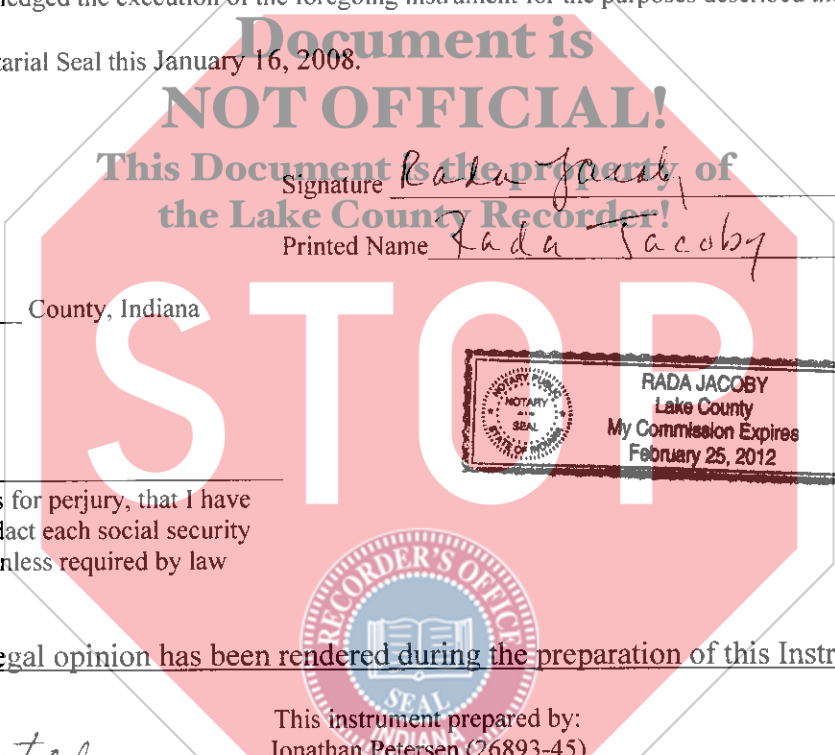
Residing in _____ County, Indiana

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law

No legal opinion has been rendered during the preparation of this Instrument

Granted →

This instrument prepared by:
Jonathan Petersen (26893-45)
Law Office of Jonathan D. Petersen
608 165th Street, Suite 201
Hammond, IN 46324
219-803-4550



Signature *Rada Jacoby*
Printed Name Rada Jacoby



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