

MORTGAGE AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS

THIS MORTGAGE AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS ("Mortgage") dated as of July 11, 2002 from Teresita Marsal-Avila with a mailing address of 2500 South Drake, Chicago, Illinois 60623 ("Mortgagor"), to and for the benefit of ARCHER BANK, with its office at 4970 Archer Avenue, Chicago, Illinois 60632 ("Mortgagee").



0020765868

**COOK COUNTY RECORDER
EUGENE "GENE" MOORE
BRIDGEVIEW OFFICE**

WITNESSETH:

WHEREAS, Mortgagor has executed and delivered to Mortgagee a promissory note payable to Mortgagee bearing even date herewith in the principal amount of Three Hundred Thousand and 00/100 Dollars (\$300,000.00) (said note and any and all extensions and renewals thereof, amendments thereto and substitutions or replacements thereof is referred to herein as the "Note") pursuant to which Mortgagor promises to pay said principal sum (or so much thereof as may be outstanding at the maturity thereof) on July 11, 2007 together with interest on the balance of principal from time to outstanding and unpaid thereon at the rate and at the times specified in the Note;

NOW, THEREFORE, to secure (i) the payment when and as due and payable of the principal of and interest on the Note or so much thereof as may be advanced from time to time, (ii) the payment of all other indebtedness which this Mortgage by its terms secures, (iii) the performance and observance of the covenants and agreements contained in this Mortgage, the Note and any other instrument or document securing the Note (collectively, the "Loan Documents"), including that certain Environmental Indemnity Agreement of even date herewith made by Mortgagor for the benefit of Mortgagee (the "Environmental Indemnity") and (iv) any other indebtedness of Mortgagor, either jointly or singly, payable to Mortgagee, howsoever created, evidenced or arising, whether direct or indirect, absolute or contingent, now due or to become due, or now existing or hereafter arising (all of such indebtedness, obligations and liabilities identified in (i), (ii), (iii) and (iv) above being hereinafter referred to as the "indebtedness hereby secured"), Mortgagor does hereby grant, sell, convey, mortgage and assign unto Mortgagee its successors and assigns, and does hereby grant to Mortgagee, its successors and assigns, a security interest in all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V, VI and VII below, all of same being collectively referred to herein as the "Mortgaged Premises":

GRANTING CLAUSE I

That certain real estate lying and being in the County of Cook and State of Illinois, more particularly described in Exhibit A attached hereto and made a part hereof (the "Real Estate").

gjh

TICOR TITLE - 488694

This Instrument Prepared By and After Recording Return to:

Permanent Index No.: 16-26-224-038-0000

Michael S. Roberts
Connelly Roberts & McGivney LLC
One North Franklin
Suite 1200
Chicago, Illinois 60606

See Exhibit A attached hereto

Address of Property:
2500 South Drake
Chicago, Illinois 60623



GRANTING CLAUSE II

All buildings and improvements of every kind and description heretofore or hereafter erected or placed on the property described in Granting Clause I and all materials (to the extent owned by Mortgagor) intended for construction, reconstruction, alteration and repair of the buildings and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the Real Estate, and, to the extent owned by Mortgagor, all fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used in connection the Real Estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof, including but not limited to, all machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, willing, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus, all cooling and ventilating apparatus and systems, all plumbing, incinerating, sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs and all other machinery and other equipment of every nature and fixtures and appurtenances thereto and all items of furniture, appliances, draperies, carpets, other furnishings, equipment and personal property used or useful in the operation, maintenance and protection of the Real estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said buildings or improvements in any manner; it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the Real Estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagor as debtor to Mortgagee as secured party, securing the indebtedness hereby secured. With regard to all such property, this Mortgage shall also constitute a Fixture Filing Statement. The addresses of Mortgagor (debtor) and Mortgagee (secured party) appear at the beginning hereof.

GRANTING CLAUSE III

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, licenses, franchises, appurtenances and royalties, mineral, oil and water rights belonging or in any wise appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located hereon and the reversions, rents, issues, revenues and profits thereof, including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advance rent or for security) under any and all leases and renewals thereof or under any contracts or options for the sale of all or any part of said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale), together with the right, but not the obligation, to collect, receive and receipt for all such rents and other sums and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable; provided that the assignments made hereby shall not impair or diminish the obligations of Mortgagor under the provisions of such leases or other agreements nor shall such obligations be imposed upon Mortgagee. By acceptance of this Mortgage, Mortgagee agrees that until an Event of Default (as hereinafter defined) shall occur giving Mortgagee the right to foreclose this Mortgage, Mortgagor shall have a license to collect, receive (but not more than thirty (30) days in advance) and enjoy such rents.

GRANTING CLAUSE IV

All judgments, awards of damages, settlements and other compensation hereafter made resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part

thereof or any building or other improvements now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively "Condemnation Awards").

GRANTING CLAUSE V

All property and rights, if any, which are by the express provisions of this instrument required to be subjected to the lien hereof and any additional property and rights that may from time to time hereafter by installation or writing of any kind, be subjected to the lien hereof.

GRANTING CLAUSE VI

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part thereof.

GRANTING CLAUSE VII

All of Mortgagor's "general intangibles" (as defined in the Uniform Commercial Code) now owned or hereafter acquired and related to the Mortgaged Premises, including, without limitation, all right, title and interest of Mortgagor in and to: (i) all agreements, leases, licenses and contracts to which Mortgagor is or may become a party relating to the Mortgaged Premises or improvements thereon; (ii) all obligations or indebtedness owing to Mortgagor (other than accounts) or other rights to receive payments of money from whatever source relating to the Mortgaged Premises; (iii) all tax refunds and tax refund claims relating to the Mortgaged Premises; (iv) all intellectual property relating to the Mortgaged Premises; and (v) all choses in action and causes of action relating to the Mortgaged Premises.

All of Mortgagor's "accounts" (as defined in the Uniform Commercial Code) now owned or hereafter created or acquired as relates to the Mortgaged Premises, including, without limitation, all of the following now owned or hereafter created or acquired by Mortgagor: (i) accounts receivable, contract rights, book debts, notes, drafts, and other obligations or indebtedness owing to Mortgagor arising from the sale, lease or exchange of goods or other property and/or the performance of services, (ii) Mortgagor's rights in, to and under all purchase orders for goods, services or other property, (iii) Mortgagor's rights to any goods, services or other property represented by any of the foregoing, (iv) monies due to or to become due to Mortgagor under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services including the right to payment of any interest or finance charges in respect thereto (whether or not yet earned by performance on the part of Mortgagor), (v) uncertified securities, and (vi) proceeds of any of the foregoing and all collateral security and guaranties of any kind given by any person or entity with respect to any of the foregoing. All warranties, guarantees, permits and licenses received by Mortgagor in respect to the Mortgaged Premises.

TO HAVE AND TO HOLD the Mortgaged Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, pledged and assigned, and in which a security interest is granted, unto Mortgagee, its successors and assigns, forever; provided, however, that this instrument is upon the express condition that if the principal of and interest on the Note shall be paid in full and all other indebtedness hereby secured shall be fully paid and performed, then this instrument and the estate and rights hereby granted shall cease, determine and be void and this instrument shall be promptly released by Mortgagee at the expense of Mortgagor, otherwise to remain in full force and effect.

Mortgagor hereby covenants and agrees with Mortgagee as follows:

1. Payment of the Indebtedness. The indebtedness hereby secured will be promptly paid as and when the same becomes due.
2. Representation of Title and Further Assurances. Mortgagor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this instrument and, without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the Granting Clauses hereof or intended so to be. At the time of delivery of these presents, Mortgagor is well seized of an indefeasible estate in fee simple in the portion of the Mortgaged Premises which constitutes real property subject only to the matters set forth in Exhibit "B" attached hereto and hereby made a part hereof (the "Permitted Exceptions"), and Mortgagor has good right, full power and lawful authority to convey, mortgage and create a security interest in the same, in the manner and form aforesaid; except as set forth in Exhibit "B" hereto, the same is free and clear of all liens, charges, easements, covenants, conditions, restrictions and encumbrances whatsoever, including the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature, and Mortgagor shall and will forever defend the title to the Mortgaged Premises against the claims of all persons whomsoever.
3. Payment of Taxes. Mortgagor shall pay before any penalty attaches all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges, of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed, imposed or charged on or against the Mortgaged Premises or any part thereof and which, if unpaid, might by law become a lien or charge upon the Mortgaged Premises or any part thereof, and shall exhibit to Mortgagee upon request official receipts evidencing such payments, except that, unless and until foreclosure, distraint, sale or other similar proceedings shall have been commenced, no such charge or claim need be paid if being contested (except to the extent any full or partial payment shall be required by law), after notice to Mortgagee, by appropriate proceedings which shall operate to prevent the collection thereof or the sale or forfeiture of the Mortgaged Premises or any part thereof to satisfy the same, conducted in good faith and with due diligence and if Mortgagor shall have furnished such security, if any, as may be required in the proceedings or required by Mortgagee's title insurer to insure over the lien of such taxes.
4. Payment of Taxes on Note, Mortgage or Interest of Mortgagee. Mortgagor agrees that if any tax, assessment or imposition upon this Mortgage or the indebtedness hereby secured or the Note or the interest of Mortgagee in the Mortgaged Premises or upon Mortgagee by reason of any of the foregoing (including, without limitation, corporate privilege, franchise and excise taxes, but excepting therefrom any income tax on interest payments on the principal portion of the indebtedness hereby secured imposed by the United States or any State) is levied, assessed or charged, then, unless all such taxes are paid by Mortgagor to, for or on behalf of Mortgagee as they become due and payable (which Mortgagor agrees to do upon demand of Mortgagee, to the extent permitted by law), or Mortgagee is reimbursed for any such sum advanced by Mortgagee, all sums hereby secured shall become immediately due and payable, without a prepayment fee, at the option of Mortgagee upon thirty (30) days' notice to Mortgagor, notwithstanding anything contained herein or in any law heretofore or hereafter enacted, including any provision thereof forbidding Mortgagor from making any such payment. Mortgagor agrees to provide to Mortgagee, upon request, official receipts showing payment of all taxes and charges which Mortgagor is required to pay hereunder.
5. Tax and Insurance Deposit. Mortgagor covenants and agrees to deposit into an account with Mortgagee (the "Escrow Account"), commencing on the date of first payment under the Note and on the first day of each successive month thereafter, until the indebtedness secured by this Mortgage is fully paid, a sum equal to (i) one-twelfth (1/12th) of the annual taxes and assessments (general and special) on the Mortgaged Premises (unless said taxes and assessments are based upon assessments which exclude improvements thereon now constructed or to be constructed, in which event the amount of such deposits shall be based upon Mortgagee's reasonable estimate as to the amount of taxes and

assessments to be levied and assessed) and (ii) upon the written request of Mortgagee after the occurrence of an Event of Default hereunder, one-twelfth (1/12th) of the annual premiums payable for the insurance required to be maintained in accordance with Section 8 hereof. In addition, on the date of disbursement under the Note, Mortgagor shall deposit into the Escrow Account an amount that, in Mortgagee's reasonable judgment, when added to the monthly deposits to be made by Mortgagor will result in sufficient funds to pay the next installment of taxes and assessments when due. No amounts deposited hereunder shall be deemed to be trust funds but may be commingled with Mortgagee's general funds and no interest shall be payable thereon. If prior deposits are insufficient, Mortgagor shall deposit into the Escrow Account an amount of money which, together with the aggregate of the monthly deposits made or to be made pursuant to (i) above as of one month prior to the date on which the next installment of taxes and assessments become due, shall be sufficient to pay in full such installment, and, [upon the written request of Mortgagee after the occurrence of an Event of Default hereunder,] an amount of money which, together with the aggregate deposits made or to be made pursuant to (ii) above as of one month prior to the date on which the next annual insurance premium becomes due, shall be sufficient to pay in full the total annual insurance premium estimated by Mortgagee to next become due and payable with respect to the Mortgaged Premises. Prior to an Event of Default hereunder, interest paid upon the Escrow Account may be withdrawn by Mortgagor. Funds in the Escrow Account shall be used for the payment of taxes and assessments (general and special) and insurance premiums (if insurance premiums have been escrowed), respectively, on the Mortgaged Premises next due and payable when they become due. Upon submission of appropriate bills therefor from Mortgagor, Mortgagee shall release sufficient funds to Mortgagor in a time and manner to allow for payment of such taxes, assessments and insurance premiums prior to the due date. If for any reason the funds so deposited are insufficient to pay any such taxes, assessments (general or special) and premiums when the same shall become due and payable, Mortgagor shall within ten (10) days after receipt of demand therefor, deposit additional funds as may be necessary to pay such taxes, assessments (general and special) and premiums in full. If the funds so deposited exceed the amount required to pay such taxes, assessments (general and special) and premiums for any year, the excess shall be applied on the next due deposit or deposits.

6. Mortgagee's Interest In and Use of Deposits. Mortgagee may at its option, without being required so to do, apply any monies at the time on deposit pursuant to Section 5 hereof to the performance of any of Mortgagor's obligations hereunder or under the Note, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be promptly paid to Mortgagor. Such deposits are hereby pledged as additional security for the indebtedness secured hereby and shall be irrevocably applied by Mortgagee for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of taxes, assessments and insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested Mortgagee in writing to make application of such funds to the payment of which they were deposited, accompanied by the bills for such taxes, assessments and insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instruction of Mortgagor.

7. Recordation and Payment of Taxes and Expenses Incident Thereto. Mortgagor will cause this Mortgage, all mortgages supplemental hereto and any financing statement or other notices of a security interest required by Mortgagee at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law for the recording and filing or for the rerecording and refiling of a mortgage, security interest, assignment or other lien or charge upon the Mortgaged Premises, or any part thereof, in order fully to preserve and protect the rights of Mortgagee hereunder, and, without limiting the foregoing, Mortgagor will pay or reimburse Mortgagee for the payment of any and all taxes, fees or other charges incurred in connection with any such recordation or rerecording, including any documentary stamp tax or tax imposed upon the privilege of having this instrument or any instrument issued pursuant hereto recorded.

8. Insurance Coverages. Mortgagor will, at its expense, maintain the following insurance with good and responsible insurance companies reasonably satisfactory to Mortgagee:

(a) comprehensive all risk insurance on the improvements on the Mortgaged Premises (the "Improvements") and all personal property in the Mortgaged Premises, including contingent liability from operation of building laws, demolition costs and increased cost of construction endorsements, in each case (i) in an amount equal to 100% of the "Full Replacement Cost," which for purposes of this Mortgage shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation, but the amount shall in no event be less than (the aggregate outstanding principal balance of the Note; (ii) containing an agreed amount endorsement with respect to the Improvements and personal property waiving all co-insurance provisions, (iii) providing for a deductible reasonably acceptable to Mortgagee; and (iv) containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the Improvements or the use of the Real Estate shall at any time constitute legal non-conforming structures or uses. The Full Replacement Cost shall be redetermined from time to time (but not more frequently than once in any twelve (12) calendar months) at the request of Mortgagee by an appraiser or contractor designated and paid by owner and approved by Mortgagee, or by an engineer or appraiser in the regular employ of the insurer. After the first appraisal, additional appraisals may be based on construction cost indices customarily employed in the trade. No omission on the part of Mortgagee to request any such ascertainment shall relieve Mortgagor of any of its obligations under this Subsection. In addition, Mortgagor shall obtain (y) flood hazard insurance if any portion of the Improvements is currently or at any time in the future located in a federally designated "special flood hazard area," or as otherwise reasonably required by Mortgagee and (z) earthquake insurance in amounts and in form and substance satisfactory to Mortgagee in the event a Parcel is located in an area with a high degree of seismic activity, provided that the insurance pursuant to clauses (y) and (z) hereof shall be on terms consistent with the comprehensive all risk insurance policy required under this Subsection 8(a);

(b) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Real Estate, such insurance (i) to be on the so-called "occurrence" form with a combined single limit of not less than \$1,000,000; (ii) to continue at not less than the aforesaid limit until required to be changed by Mortgagee in writing by reason of changed economic conditions making such protection inadequate; and (iii) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; (4) blanket contractual liability for all written and oral contracts; and (5) contractual liability covering the indemnities contained in the Environmental Indemnity and Section 35 hereof to the extent the same is available;

(c) business income and rent loss insurance (i) with loss payable to Mortgagee; (ii) covering all risks required to be covered by the insurance provided for in Subsection 8(a); (iii) containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and personal property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the date of the loss, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; and (iv) in an amount equal to 100% of the projected gross income from the Mortgaged Premises for a period of twelve (12) months. The amount of such business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on Mortgagee's reasonable estimate of the gross income from the Mortgaged Premises. All insurance proceeds payable to Mortgagee pursuant to this Subsection shall be held by Mortgagee and shall be applied to Mortgagor's liabilities secured hereunder from time to time due and payable hereunder and under the Note; provided, however, that nothing herein contained shall be deemed to relieve Mortgagor of its obligations to pay Mortgagor's liabilities secured hereunder on the respective dates of payment provided for in the Note except to the extent such amounts are actually paid out of the proceeds of such business income insurance;

(d) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, (i) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability Insurance policy; and (ii) the insurance provided for in Subsection 8(a) written in a so-called builder's risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to Subsection 8(a), (3) including permission to occupy the Real Estate and (4) with an agreed amount endorsement waiving co-insurance provisions;

(e) workers' compensation, subject to the statutory limits of the State of Illinois and employer's liability insurance (i) with a limit per accident and per disease per employee and (ii) in an amount for disease aggregate in respect of any work or operations on or about the Real Estate, or in connection with the Real Estate or its operation (if applicable), in each case reasonably required by Mortgagee;

(f) comprehensive boiler and machinery Insurance, if applicable, in amounts as shall be reasonably required by Mortgagee on terms consistent with the commercial general liability insurance policy required under Subsection 8(b);

(g) if requested by Mortgagee, umbrella liability insurance in an amount reasonably acceptable to Mortgagee per occurrence on terms consistent with the commercial general liability insurance policy required under Subsection 8(b);

(h) motor vehicle liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence of \$1,000,000 including any umbrella liability coverage; and

(i) such other insurance and in such amounts as Mortgagee or Mortgagee's insurance consultant from time to time may reasonably request in writing against such other insurable hazards which at the time are commonly insured against for property similar to the Mortgaged Premises located in or around the region in which the Mortgaged Premises is located.

9. Policy Ratings. All insurance provided for in Section 8 hereof shall be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and shall be subject to the approval of Mortgagee as to amounts, forms, deductibles, loss payees and insurers. The Policies shall be issued by financially sound and responsible insurance companies authorized to do business in the state in which the Real Estate is located and approved by Mortgagee. Each insurance company must have a rating of "A" or better for claims rating ability assigned by Standard & Poor's Ratings Group (the "Rating Agency") or, if the Rating Agency does not assign a rating for such insurance company, such insurance company must have a general policy rating of A or better and a financial class of XV or better by A.M. Best Company, Inc. (each such insurer shall be referred to below as a "Qualified Insurer"). The Policies described in Subsections 8(a), (b), (d) and (f) shall designate Mortgagee as loss payee. Not less than thirty (30) days prior to the expiration dates of the Policies theretofore furnished to Mortgagee pursuant to Section 8, certified copies of the Policies marked "premium paid" or accompanied by evidence satisfactory to Mortgagee of payment of the premiums due thereunder (the "Insurance Premiums") shall be delivered by Mortgagor to Mortgagee; provided, however, that in the case of renewal Policies, Mortgagor may furnish Mortgagee with binders therefor to be followed by the original Policies when issued.

10. Blanket Coverage. Mortgagor shall not obtain any umbrella or blanket liability or casualty Policy unless, in each case, such Policy is approved in advance in writing by Mortgagee, which approval shall not be unreasonably withheld, and Mortgagee's interest is included therein as provided in this Mortgage and such Policy is issued by a Qualified Insurer. In the event Mortgagor obtains an umbrella or a blanket Policy, Mortgagor shall notify Mortgagee of the same and shall cause certified copies of each Policy to be delivered as required in Section 8. Any blanket insurance Policy shall (a) specifically allocate to the Real Estate, on an individual basis, the amount of coverage from time to time required hereunder or

(b) be written on an occurrence basis for the coverages required hereunder with a limit per occurrence in an amount equal to the amount of coverage required hereunder and shall otherwise provide the same protection as would a separate Policy insuring the Real Estate, on an individual basis, in compliance with the provisions of Section 8.

11. Named Insureds. All Policies of insurance provided for or contemplated by Section 8, except for the Policy referenced in Subsection 8(e), shall name Mortgagee and Mortgagor as the insured or additional insured, as their respective interests may appear, and in the case of property damage, boiler and machinery, flood and earthquake insurance, shall contain a so-called New York standard non-contributing mortgagee clause in favor of Mortgagee providing that the loss thereunder shall be payable to Mortgagee.

12. Endorsements. All Policies of insurance provided for in Section 8 shall contain clauses or endorsements to the effect that:

(a) no act or negligence of Mortgagor, or anyone acting for Mortgagor, or of any tenant under any lease or other occupant, or failure to comply with the provisions of any Policy which might otherwise result in a forfeiture of the insurance or any part thereof, shall in any way affect the validity or enforceability of the insurance insofar as Mortgagee is concerned;

(b) the Policy shall not be materially changed (other than to increase the coverage provided thereby) or cancelled without at least thirty (30) days' written notice to Mortgagee and any other party named therein as an insured;

(c) each Policy shall provide that the issuers thereof shall give written notice to Mortgagee if the Policy has not been renewed thirty (30) days prior to its expiration; and

(d) Mortgagee shall not be liable for any insurance premiums thereon or subject to any assessments thereunder.

13. Certifications. Mortgagor shall furnish to Mortgagee, on or before thirty (30) days after the close of each of Mortgagor's fiscal years, a statement certified by Mortgagor or a duly authorized officer of Mortgagor of the amounts of insurance maintained in compliance herewith, of the risks covered by such insurance and of the insurance company or companies which carry such insurance and, if reasonably requested by Mortgagee, verification of the adequacy of such insurance by an independent insurance broker or appraiser acceptable to Mortgagee.

14. Rights of Mortgagee. If at any time Mortgagee is not in receipt of written evidence despite its request therefor that all insurance required hereunder is in full force and effect, Mortgagee shall have the right to take such action as Mortgagee deems necessary to protect its interest in the Mortgaged Premises, including, without limitation, the obtaining of such insurance coverage as Mortgagee in its sole discretion deems appropriate, and all expenses incurred by Mortgagee in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Mortgagor to Mortgagee upon demand and until paid shall be secured by this Mortgage and shall bear interest at the rate of interest per annum equal to the Default Interest Rate (as defined in Section 52) until paid. Mortgagee shall deliver notice to Mortgagor that it has taken or will take such action. In the event of foreclosure, Mortgagor authorizes and empowers Mortgagee to effect insurance upon the Mortgaged Premises in the amounts aforesaid, for a period covering the time of redemption from foreclosure sale provided by law, and if necessary therefor, to cancel any or all existing insurance policies.

15. Additional Policies. Mortgagor shall not take out or maintain separate insurance concurrent in kind or form or contributing in the event of loss with any insurance required hereinabove.

16. Damage to and Destruction of the Improvements.

(a) Notice. In the case of any damage to or destruction of any improvements which are or will be constructed on the Mortgaged Premises or any part thereof, Mortgagor shall promptly give notice thereof to Mortgagee generally describing the nature and extent of such damage or destruction.

(b) Restoration. Upon the occurrence of any damage to or destruction of any improvements on the Mortgaged Premises, provided Mortgagee permits the proceeds of insurance to be used for repairs, Mortgagor shall cause same to be restored, replaced or rebuilt as nearly as possible to their value, condition and character immediately prior to such damage or destruction. Such restoration, replacement or rebuilding shall be effected promptly and Mortgagor shall notify Mortgagee if it appears that such restoration, replacement or rebuilding may be unduly delayed. Any amounts required for repairs in excess of insurance proceeds shall be paid by Mortgagor.

(c) Application of Insurance Proceeds. Net insurance proceeds received by Mortgagee under the terms of this Mortgage or any instrument supplemental hereto or thereto or any policy or policies of insurance covering any improvements on the Mortgaged Premises or any part thereof shall be applied by Mortgagee, in Mortgagee's absolute discretion, within ten days of receipt, as and for a prepayment on the Note (whether or not the same is then due or otherwise adequately secured) or shall be disbursed for restoration of such improvements (in which event Mortgagee shall not be obligated to supervise restoration work nor shall the amount so released or used be deemed a payment of the indebtedness evidenced by the Note). If Mortgagee elects to permit the use of insurance proceeds to restore such improvements, it may do all necessary acts to accomplish that purpose including advancing additional funds, all such additional funds to constitute part of the indebtedness secured by this Mortgage. If Mortgagee elects to make the insurance proceeds available to Mortgagor for the purpose of effecting such a restoration, or, following an Event of Default, elects to restore such improvements, any excess of insurance proceeds above the amount necessary to complete such restoration shall be applied as and for a prepayment on the Note. Any insurance proceeds to be released pursuant to the foregoing provisions may at the option of Mortgagee be disbursed from time to time as restoration progresses to pay for restoration work completed and in place and such disbursements shall be disbursed in such manner as Mortgagee may reasonably determine. Mortgagee may impose such further conditions upon the release of insurance proceeds (including the receipt of title insurance) as are customarily imposed by prudent construction lenders to insure the completion of the restoration work free and clear of all liens or claims for lien. All necessary and reasonable title insurance charges and other costs and expenses paid to or for the account of Mortgagee in connection with the release of such insurance proceeds shall constitute so much additional indebtedness secured by this Mortgage to be payable within five (5) days of demand and if not so paid shall bear interest at the Default Interest Rate. Mortgagee may deduct any such costs and expenses from insurance proceeds at any time held by Mortgagee. No interest shall be payable to Mortgagor upon insurance proceeds held by Mortgagee for restoration of the Mortgaged Premises or applied within ten (10) days of receipt by Mortgagee to prepay the Note. Any proceeds not so applied shall bear interest at the rate applicable to the Escrow Account.

(d) Adjustment of Loss. Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss of more than Five Thousand Dollars (\$5,000) under any insurance policies covering or relating to the Mortgaged Premises and to collect and receive the proceeds from any such policy or policies. Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment (i) of 100% of all such losses of more than said amount directly to Mortgagee alone and (ii) of 100% of all such losses of said amount or less directly to Mortgagor alone, and in no case to Mortgagor and Mortgagee jointly. After deducting

from such insurance proceeds any reasonable expenses incurred by Mortgagee in the collection and settlement thereof, including without limitation, reasonable attorneys' and adjusters' fees and charges, Mortgagee shall apply the net proceeds as provided in Section 8(c). Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure, other than the gross negligence or willful misconduct of Mortgagee.

17. Eminent Domain.

(a) Notice. Mortgagor covenants and agrees that Mortgagor will give Mortgagee immediate notice of the actual or threatened commencement of any proceedings under condemnation or eminent domain affecting all or any part of the Mortgaged Premises, including any easement therein or appurtenance thereof or severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings.

(b) Assignment of Claim, Power of Attorney to Collect, Etc. Any and all awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Mortgaged Premises by any governmental body for taking or affecting the whole or any part of the Mortgaged Premises, the improvements on the Mortgaged Premises or any easement therein or appurtenance thereto (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the award for payment thereof) are hereby assigned by Mortgagor to Mortgagee to the extent of the existing principal balance, interest thereon and other outstanding charges owed by Mortgagor to Mortgagee and Mortgagor hereby irrevocably constitutes and appoints Mortgagee its true and lawful attorney in fact with full power of substitution for it and in its name, place and stead to collect and receive the proceeds of any such award granted by virtue of any such taking and to give proper receipts and acquittances therefor. Mortgagor shall have the right to fully participate in any proceedings which determine the award to be granted.

(c) Effect of Condemnation and Application of Awards. In the event that any proceedings are commenced by any governmental body or other person to take or otherwise affect the Mortgaged Premises, the improvements thereon or any easement therein or appurtenance thereto, Mortgagee may, in Mortgagee's absolute discretion, apply the proceeds of any award made in such proceedings as and for a prepayment on the indebtedness hereby secured, without a prepayment fee, notwithstanding the fact that said indebtedness may not then be due and payable or is otherwise adequately secured.

18. Construction, Repair, Waste, Etc. Mortgagor covenants and agrees (i) that no building or other improvement on the Mortgaged Premises and constituting a part thereof shall be materially altered, removed or demolished nor shall any fixtures or appliances on, in or about said buildings or improvements be severed, removed, sold or mortgaged, (unless replaced with comparable items) without the consent of Mortgagee, which consent shall not be unreasonably withheld or delayed and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, the same will be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto; (ii) to permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Premises or any part thereof; (iii) to keep and maintain the Mortgaged Premises and every part thereof in good and safe repair and condition (ordinary wear and tear excepted); (iv) to effect such repairs as may be reasonably required and from time to time to make all needful and proper replacements and additions so that said buildings, fixtures, machinery and appurtenances will, at all times, be in good condition, fit and proper for the respective purposes for which they are currently used; (v) to comply with all statutes, orders, requirements or decrees relating to the Mortgaged Premises by any

Federal, State or municipal authority; (vi) to observe and comply in all material respects with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Premises or any part hereof and not to initiate or acquiesce in any changes to or terminations of any of the foregoing or of zoning classifications affecting the use to which the Mortgaged Premises or any part thereof may be put without the prior written consent of Mortgagee (which shall not be unreasonably withheld or delayed); (vii) to make no material alterations in or material improvements or additions to the Mortgaged Premises without Mortgagee's written permission except as required by governmental authority which consent shall not be unreasonably withheld or delayed; and (viii) to perform all of its obligations and enforce all of its rights under any reciprocal easement and operating agreement or other covenants binding upon or benefitting the Mortgaged Premises.

19. Liens and Encumbrances. Mortgagor will not, without the prior written consent of Mortgagee, directly or indirectly, create or suffer to be created, or to remain, and will discharge or promptly cause to be discharged, any mortgage, lien, encumbrance or charge on, pledge or conditional sale or other title retention agreement with respect to the Mortgaged Premises or any part thereof, whether superior or subordinate to the lien hereof, except for this instrument and the lien of all other documents given to secure the indebtedness hereby secured; provided, however, that Mortgagor may contest the validity of any mechanic's lien, charge or encumbrance (other than the lien of this Mortgage or of any other document securing payment of the Note) upon giving Mortgagee timely notice of its intention to contest the same and either (a) maintaining with Mortgagee a deposit of cash or negotiable securities satisfactory to Mortgagee in an amount sufficient, as reasonably determined by Mortgagee, to pay and discharge or to assure compliance with the matter under contest in the event of a final determination thereof adversely to Mortgagor or (b) obtaining title insurance coverage over such lien on Mortgagee's title insurance policy. Mortgagor agrees to prosecute and contest such lien diligently and by appropriate legal proceedings which will prevent the enforcement of the matter under contest and will not impair the lien of this Mortgage or interfere with the normal conduct of business on the Mortgaged Premises. On final disposition of such contest, any cash or securities in Mortgagee's possession not required to pay or discharge or assure compliance with the matter contested shall be promptly returned to Mortgagor without interest.

20. Right of Mortgagee to Perform Mortgagor's Covenants, Etc. If Mortgagor shall fail to make any payment or perform any act required to be made or performed hereunder, Mortgagee, without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter upon prior written notice to Mortgagor and failure of Mortgagor to make such payment or perform such act within any applicable cure period provided herein make such payment or perform such act for the account and at the expense of Mortgagor, and may enter upon the Mortgaged Premises or any part thereof for such purpose and take all such action thereon as, in the reasonable judgment of Mortgagee, may be necessary or appropriate therefor. All sums so paid by Mortgagee and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) so incurred, together with interest thereon from the date of payment or incurrence at the Default Interest Rate, shall constitute so much additional indebtedness hereby secured and shall be paid by Mortgagor to Mortgagee on demand. Mortgagee in making any payment authorized under this Section relating to taxes or assessments may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim thereof.

21. After-Acquired Property. Any and all property hereafter acquired which is of the kind or nature herein provided and related to the premises described in Granting Clause I hereof, or intended to be and become subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this Mortgage as fully and completely as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagee, execute and deliver any and all such further assurances, conveyances

and assignments as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage all such property.

22. Inspection by Mortgagee. Mortgagee and its agents shall have the right to inspect the Mortgaged Premises at all reasonable times upon prior notice (except in the event of an emergency) and Mortgagor shall cooperate with Mortgagee and make access thereto available.

23. Subrogation. Mortgagor acknowledges and agrees that Mortgagee shall be subrogated to any lien discharged out of the proceeds of the loan evidenced by the Note or out of any advance by Mortgagee hereunder, irrespective of whether or not any such lien may have been released of record.

24. Representations and Warranties. Mortgagor represents and warrants as follows:

(a) Corporate Matters. If Mortgagor is a corporation, it is a duly formed corporation under the laws of the State of its incorporation, validly existing, in good standing and qualified to do business in the State of its incorporation, and any other State which requires such qualification;

(b) Authority. Mortgagor has full power and authority to execute and deliver this Mortgage and the other Loan Documents to be executed and delivered by Mortgagor and to perform its obligations hereunder and thereunder. Upon the execution and delivery thereof, this Mortgage and all such Loan Documents will be valid, binding and enforceable upon Mortgagor in accordance with their respective terms. Execution and delivery of this Mortgage and the other Loan Documents to be executed and delivered by Mortgagor, do not and will not contravene, conflict with, violate or constitute a default under any applicable law, rule, regulation, judgment, decree or order or any agreement, indenture or instrument to which Mortgagor is a party or is bound or which is binding upon or applicable to the Mortgaged Premises or any portion thereof;

(c) Conditions. There is not any condition, event or circumstance existing, or any litigation, arbitration, governmental or administrative proceedings, actions, examinations, claims or demands pending or threatened, affecting Mortgagor, the Mortgaged Premises or the use or operation thereof, or which would prevent Mortgagor from complying with or performing its obligations under this Mortgage, the Note or any of the other Loan Documents within the time limits set forth therein for such compliance or performance, and no basis for any such matter exists;

(d) Utilities. All utilities necessary for use and operation of the Mortgaged Premises and all requirements required by applicable law for unrestricted use of such utilities have been fulfilled. All building, zoning, safety, health, fire, water district, sewerage and environmental protection agency permits and other licenses and permits which are required by any governmental authority for the operation of the Mortgaged Premises have been obtained and are in full force and effect;

(e) Financial Statements. All financial statements submitted to Mortgagee relating to Mortgagor are true and correct, fairly present the financial condition of the person or entity to which they pertain and the other information therein described and do not contain any untrue statement of a material fact or omit to state a fact material to the financial statements submitted or this Mortgage. No adverse change has occurred in the financial condition of Mortgagor since the dates of said financial statements;

(f) Compliance of Laws. The Mortgaged Premises are in material compliance with all laws, statutes, ordinances, rules, orders or regulations of any kind whatsoever (including without limitation, those relating to environmental protection, water use, zoning, building, fire, health or safety), any contractual arrangements with third parties and any covenants, conditions, easements, rights of way or restrictions of record and neither Mortgagor nor any agent of

Mortgagor has received any notice, written or otherwise, alleging any such violation. The Mortgaged Premises are in full compliance with current zoning requirements, including without limitation, those relating to setbacks, height, floor area ratio and percentage of land coverage and are not a non-conforming or special use. No right to any off-site facilities are necessary to insure compliance with all environmental protection, public highway, water use, zoning, building, fire, health, safety or similar statutes, laws, ordinances, codes, rules, regulations, orders and decrees;

(g) Governmental Authority. All permits, consents, approvals or authorizations by, or registrations, declarations, withholdings of objection or filings with, any governmental authority necessary in connection with the valid execution, delivery and performance of this Mortgage, the Note and the Loan Documents, or presently necessary for the operation of the Improvements, have been obtained, are valid, adequate and in full force and effect;

(h) Roads and Easements. All roads, easements and other necessary modes of ingress or egress to the Mortgaged Premises necessary for the full utilization of the improvements on the Mortgaged Premises for their intended purpose or for the construction thereof have been obtained; and

(i) Homestead. No portion of the Mortgaged Premises is or will be used as the residential homestead of Mortgagor or any individual.

25. Loan Fees. In connection with this Loan, Mortgagor shall pay Mortgagee at closing a loan origination fee in the amount of Three Thousand and 00/100 Dollars (\$3,000.00).

26. Transfer of the Mortgaged Premises.

(a) In determining whether or not to make the loan secured hereby, Mortgagee has examined the credit-worthiness of Mortgagor, found it acceptable and relied and continues to rely upon same as the means of repayment of the loan. Mortgagor is well experienced in borrowing money and owning and operating property such as the Mortgaged Premises, is ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rate or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary or junior financing placed upon the Mortgaged Premises, (a) may divert funds which would otherwise be used to pay the Note secured hereby, (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security, (c) would detract from the value of the Mortgaged Premises should Mortgagee come into possession thereof with the intention of selling same and (d) would impair Mortgagee's right to accept a deed in lieu of foreclosure if a foreclosure by Mortgagee would be necessary to clear the title to the Mortgaged Premises.

(b) In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment by Mortgagor and in the value of the Mortgaged Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and/or collect assumption fees; and (iv) keeping the Mortgaged Premises free of subordinate financing liens, Mortgagor agrees that if this Section be deemed a restraint on alienation, that it is a reasonable one, and Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, mortgage, lease, pledge, encumbrance or other transfer of, or the granting of any option in, or any contract for any of the foregoing (on an installment basis or otherwise) pertaining to the Mortgaged Premises, any part thereof, or any interest therein, whether involuntary or by operation of law or otherwise, without the prior written

consent of Mortgagee having been obtained to such sale, assignment, conveyance, mortgage, lease, option, pledge, encumbrance or other transfer. As used herein, "Affiliate" means, with respect to any entity, any other entity directly or indirectly controlling, controlled by, or under direct or indirect common control with, such entity; an entity shall be deemed to control another entity if such entity possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other entity, whether through the ownership of voting securities, by contract or otherwise. Mortgagor agrees that in the event the ownership of the Mortgaged Premises, any interest therein or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, and any other Loan Document, without in any way vitiating or discharging Mortgagor's liability hereunder or under any other document evidencing the indebtedness secured hereby. No sale of the Mortgaged Premises, forbearance to any person with respect to this Mortgage, or extension to any person of the time for payment of the Note given by Mortgagee shall operate to release, discharge, modify, change or affect the liability of Mortgagor, either in whole or in part, except to the extent specifically agreed in writing by Mortgagee. Without limitation of the foregoing, in any event in which the written consent of Mortgagee is required in this Section 26, Mortgagee may condition its consent upon any combination of (i) the payment of compensation to be determined by Mortgagee, (ii) the increase of the interest rate payable under the Note, (iii) the shortening of maturity of the Note and (iv) other modifications of the terms of the Note or the other instruments evidencing the indebtedness secured hereby.

(c) Without limitation of the foregoing, (i) in any event in which Mortgagee's consent is requested in accordance with the terms of this Section 26, Mortgagor shall pay all expenses incurred by Mortgagee, including reasonable attorneys' fees, in connection with the processing of such request and (ii) the consent of Mortgagee to any transfer of the Mortgaged Premises shall not operate to release, discharge, modify, change or affect the liability of Mortgagor, either in whole or in part, unless Mortgagee expressly provides in writing for a release of Mortgagor.

27. Future Financial Statements. Mortgagor shall furnish or cause to be furnished to Mortgagee the following financial statements in form satisfactory to Mortgagee and prepared in accordance with generally accepted accounting principles:

(a) Within thirty (30) days of the due date (without extensions) of each annual filing, a copy of each Federal Income Tax Return filed, together with all supporting schedules, certified by Mortgagor as true and complete; and

(b) Such other financial records as Mortgagee in its reasonable discretion may from time to time specify.

Mortgagee, its officers, employees and representatives shall have the right at any reasonable time to examine, copy and make extracts of the books and records of Mortgagor. Such books and records shall be made available to Mortgagee, its officers, employees, agents and representatives at all reasonable times by giving Mortgagor notice at least twenty-four (24) hours prior to such inspection at Mortgagor's corporate offices.

28. [Intentionally Deleted]

29. Events of Default. Any one or more of the following shall constitute an "Event of Default" hereunder:

(a) Default in making payment when due (whether by lapse of time, acceleration, or otherwise) of the principal of or interest on the Note or any other indebtedness hereby secured;

- (b) Any material violation of Section 8 or any violation of Section 26 hereof;
- (c) Default in the observance or performance of any other covenant, condition, agreement or provisions hereof or of the Note or any additional collateral document which is not remedied within fifteen (15) days after written notice thereof to Mortgagor by Mortgagee;
- (d) Any representation or warranty made by Mortgagor herein or in the Note or any additional collateral documents or in any statement or certificate furnished pursuant hereto or thereto proves untrue in any material respect as of the date of the issuance or making thereof;
- (e) Mortgagor becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for itself or for the major part of its property;
- (f) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other proceedings for relief under any bankruptcy laws or laws for the relief of debtors are instituted by or against Mortgagor and if instituted involuntarily against Mortgagor are not dismissed within sixty (60) days after such institution;
- (g) Any judgment or judgments, writ or writs or warrant or warrants of attachment or any similar process or processes shall be entered or filed against Mortgagor or against any of its property or assets and remains unsatisfied, unvacated, unbonded or unstayed for a period of ninety (90) days; or
- (h) Any event of default shall occur under any other document evidencing or securing the indebtedness hereby secured.
30. Remedies. When any Event of Default has happened and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagor from complying with the terms of this instrument), and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements:

(a) Acceleration. Mortgagee may, by written notice to Mortgagor, declare the Note and all unpaid indebtedness of Mortgagor hereby secured, including interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind.

(b) Uniform Commercial Code. Mortgagee shall, with respect to any part of the Mortgaged Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation, the right to the possession of any such property or any part thereof, and the right to enter with legal process any premises where any such property may be found. Any requirement of said Code for reasonable notification shall be met by mailing written notice to Mortgagor at its address above set forth at least fifteen (15) days prior to the sale or other event for which such notice is required. The reasonable expenses of retaking, selling and otherwise disposing of said property, including reasonable attorneys' fees and legal expenses incurred in connection therewith, shall constitute so much additional indebtedness hereby secured and shall be payable upon demand with interest at the Default Interest Rate.

(c) Foreclosure. Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction

against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or (ii) by the foreclosure of this Mortgage. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness hereby secured in the decree of sale, all expenditures and expenses authorized by the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et. seq., as from time to time amended (the "Act") and all other expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be reasonably estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Mortgaged Premises. All reasonable expenditures and expenses of the nature mentioned in this Section, and such other expenses and fees as may be incurred in the protection of the Mortgaged Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Mortgaged Premises, including bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional indebtedness hereby secured and shall be immediately due and payable by Mortgagor, with interest thereon at the Default Interest Rate until paid.

(d) Appointment of Receiver. Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Mortgagor or the then value of the Mortgaged Premises, be entitled to have a receiver appointed pursuant to the Act of all or any part of the Mortgaged Premises and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Mortgaged Premises or any part thereof by summary proceedings, ejectment or otherwise, and may remove Mortgagor or other persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

(e) Taking Possession, Collecting Rents, Etc. Upon demand by Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee may enter and take possession of the Mortgaged Premises or any part thereof personally, by its agent or attorneys or be placed in possession pursuant to court order as mortgagee in possession or receiver as provided in the Act, and Mortgagee, in its discretion, personally, by its agents or attorneys or pursuant to court order as mortgagee in possession or receiver as provided in the Act may enter upon and take and maintain possession of all or any part of the Mortgaged Premises, together with all documents, books, records, papers, and accounts of Mortgagor relating thereto, and may exclude Mortgagor and any agents and servants thereof wholly therefrom and may, on behalf of Mortgagee, or in its own name as Mortgagee and under the powers herein granted:

(i) hold, operate, manage and control all or any part of the Mortgaged Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Mortgaged Premises, including without limitation, actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;

(ii) cancel or terminate any lease or sublease of all or any part of the Mortgaged Premises for any cause or on any ground that would entitle Mortgagor to cancel the same;

(iii) elect to disaffirm any lease or sublease of all or any part of the Mortgaged Premises made subsequent to this Mortgage without Mortgagee's prior written consent provided Mortgagee's consent was required;

(iv) extend or modify any then existing leases and make new leases of all or any part of the Mortgaged Premises, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Mortgaged Premises are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness hereby secured, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

(v) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments and improvements in connection with the Mortgaged Premises as may seem judicious to Mortgagee, to insure and reinsure the Mortgaged Premises and all risks incidental to Mortgagee's possession, operation and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom; and

(vi) apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Mortgaged Premises, to the payment of taxes, premiums and other charges applicable to the Mortgaged Premises, or in reduction of the indebtedness hereby secured in such order and manner as Mortgagee shall select.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Mortgaged Premises. The right to enter and take possession of the Mortgaged Premises and use any personal property therein, to manage, operate, conserve and improve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expenses (including any receiver's fees, reasonable counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby which expenses Mortgagor promises to pay upon demand together with interest at the rate applicable to the Note at the time such expenses are incurred. Mortgagee shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Premises, Mortgagee may, in the event the Mortgaged Premises become vacant or are abandoned, take such steps as it deems appropriate to protect and secure the Mortgaged Premises and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the Default Interest Rate.

31. Compliance with Illinois Mortgage Foreclosure Law.

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 5/15-1510 and 5/15-1512 of the Act, whether incurred before or within 180 days after any decree or judgment of foreclosure, and whether enumerated in Sections 30(c) or 33 of this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

32. Waiver of Right to Redeem - Waiver of Appraisalment, Valuation, Etc. To the extent permitted by law, Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Premises sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Mortgaged Premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as Mortgagee may determine. Mortgagee shall have the right to become the purchaser at any sale made under or by virtue of this instrument and Mortgagee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Mortgagee with the amount payable to Mortgagee out of the net proceeds of such sale. In the event of any such sale, the Note and the other indebtedness hereby secured, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. Mortgagor acknowledges that the Mortgaged Premises does not constitute agricultural real estate, as defined in Sections 5/15-1201 of the Act, or residential real estate, as defined in Section 5/15-1219 of the Act. To the fullest extent permitted by law, Mortgagor, (a) pursuant to Section 5/15-1601(b) of the Act, hereby voluntarily and knowingly waives any and all rights of redemption on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Mortgaged Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law and (b) voluntarily and knowingly waives any and all rights of reinstatement.

33. Costs and Expenses of Foreclosure. In any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as to items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies, Torrens certificates and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Mortgaged Premises, and all of which expenditures shall become so much additional indebtedness hereby secured which Mortgagor agrees to pay and all of such shall be immediately due and payable with interest thereon from the date of expenditure until paid at the Default Interest Rate.

34. Insurance After Foreclosure. Wherever provision is made in this Mortgage for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of Mortgagee shall continue in this Mortgage as judgment creditor or mortgagee until confirmation of sale. Upon confirmation of sale, Mortgagee shall be empowered to assign all policies of insurance to the purchaser at the sale.

35. Indemnity. To the fullest extent permitted by law, Mortgagor shall indemnify, save and keep Mortgagee harmless from any damage, claims or causes of action brought by third parties arising out of or related to the Mortgaged Premises or otherwise arising out of or related to Mortgagor's operations and management or other activities of or in connection with the Mortgaged Premises. Mortgagor hereby acknowledges that Mortgagee shall not be deemed to have assumed any responsibility or liability in respect to the Mortgaged Premises on account of any inspections thereof by Mortgagee or Mortgagee's receipt or review of information and materials furnished by Mortgagor.

36. Suits Against Mortgagee. If Mortgagee, by virtue of its undertaking of this financing and for no specific act or failure to act on its own part, is made a party to any suit or suits involving Mortgagor or any other party relating to this financing or to the Mortgaged Premises, other than suits between the parties hereto, Mortgagor herewith agrees that it will employ competent, experienced attorneys satisfactory to Mortgagee to defend Mortgagee in such action at Mortgagor's own cost and, failing to do so, Mortgagee may make use of attorneys employed by it and any amount so expended by Mortgagee shall be additional liability owing by Mortgagor to Mortgagee with interest therein at the Default Interest Rate, payable on demand and secured by this Mortgage and the Loan Documents.

37. Additional Assurances. Mortgagor shall execute and deliver or cause to be executed and delivered to Mortgagee now and at any time or times hereafter, all documents, instruments, letters of direction, notices, authorizations, reports, acceptances, receipts, consents, waivers, affidavits and certificates as Mortgagee may reasonably request, in form satisfactory to Mortgagee, to perfect and maintain perfected the liens granted by Mortgagor to Mortgagee upon the Mortgaged Premises or other collateral securing the obligation of Mortgagor pursuant to the terms of this Mortgage and the Loan Documents or in order to consummate fully all the transactions contemplated hereunder; and in connection therewith, Mortgagor hereby irrevocably makes, constitutes and appoints Mortgagee and any of its officers, employees or agents, as its true and lawful attorney with power to sign the name of Mortgagor to any such document, instrument, letter of direction, notice, report, acceptance, receipt, consent, waiver, affidavit or certificate if Mortgagor has not complied with Mortgagee's request to execute such document within seven (7) days from date of written request.

38. Accounts. Mortgagor shall maintain all personal accounts, business accounts and operating and reserve accounts for the Mortgaged Premises and the business to be conducted thereon with Mortgagee.

39. Protective Advances. All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Mortgagee in accordance with the terms of this Mortgage to: (i) preserve or maintain, repair, restore or rebuild the improvements upon the Mortgaged Premises; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

(b) payments by Mortgagee of: (i) when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) when due installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the mortgaged real estate or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

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(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage as referred to in Section 5/15-1504(d) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in the preparation for the commencement or defense of any such foreclosure or other action;

(e) Mortgagee's fees and costs, including reasonable attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-150~3 of the Act;

(f) advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments and insurance premiums as may be authorized by this Mortgage;

(g) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act;

(h) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (a) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the mortgaged real estate imposed by Subsection (c)(1) of Section 5/151704 of the Act; (b) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (c) payments required or deemed by Mortgagee to be for the benefit of the Mortgaged Premises under any grant or declaration of easement, easement agreements, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the mortgaged real estate; (d) shared or common expense assessments payable to any association or corporation in which the owner of the mortgaged real estate is a member in any way affecting the mortgaged real estate; and (e) pursuant to any lease or other agreement for occupancy of the mortgaged real estate.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Interest Rate.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(10) of Section 5/15-1302 of the Act.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(i) determination of the amount of indebtedness secured by this Mortgage at any time;

(ii) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(iii) determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

(iv) application of income in the hands of any receiver or Mortgagee in possession; and

(v) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 5/151508 and Section 5/15-1511 of the Act.

40. Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Premises or of any sale of property pursuant to Subsection 30(b) hereof shall be distributed in the following order of priority: first, on account of all costs and expenses incident to the foreclosure or other proceedings including all such items as are mentioned in Subsections 30(b), 30(c) and 33 hereof; second, to all other items which under the terms hereof constitute indebtedness hereby secured in addition to that evidenced by the Note with interest thereon as herein provided; third, to all interest on the Note; and fourth, to all principal on the Note with any overplus to whomsoever shall be lawfully entitled to same.

41. Mortgagee's Remedies Cumulative - No Waiver. No remedy or right of Mortgagee shall be exclusive but shall be cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity or by statute or provided for in any document evidencing or securing the indebtedness evidenced by the Note and the Loan Documents. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

42. Mortgagee Party to Suits. If Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Premises or the title thereto or the interest of Mortgagee under this Mortgage (including probate and bankruptcy proceedings), or if Mortgagee employs an attorney to collect any or all of the indebtedness hereby secured or to enforce any of the terms hereof or realize hereupon or to protect the lien hereof, or if Mortgagee shall incur any costs or expenses in preparation for the commencement of any foreclosure proceeding or for the defense of any threatened suit or proceeding which might affect the Mortgaged Premises or the security hereof, whether or not any such foreclosure or other suit or proceeding shall be actually commenced, then in any such case, Mortgagor agrees to pay to Mortgagee, within five (5) days of demand, all reasonable costs, charges, expenses and attorneys' fees incurred by Mortgagee in any such case, and the same shall constitute so much additional indebtedness hereby secured payable upon demand with interest at the Default Interest Rate.

43. Modifications Not To Affect Lien. Mortgagee, without notice to anyone, and without regard to the consideration, if any, paid therefor, or the presence of other liens on the Mortgaged Premises, may in its discretion release any part of the Mortgaged Premises or any person liable for any of the indebtedness hereby secured, may extend the time of payment of any of the indebtedness hereby secured and may grant waivers or other indulgences with respect hereto and thereto, without in any way affecting or impairing the liability of any party liable upon any of the indebtedness hereby secured or the priority of the lien of this Mortgage upon all of the Mortgaged Premises not expressly released, and may agree with Mortgagor to modifications to the terms and conditions contained herein or otherwise applicable to any of the indebtedness hereby secured (including modifications in the rates of interest applicable thereto).

44. Notices. All notices or other communications required or permitted hereunder shall be (a) in writing and shall be deemed to be given when either (i) delivered in person, (ii) three (3) business days after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (iii) when received if sent by private courier service or (iv) on the day on which the party

to whom such notice is addressed refuses delivery by mail or by private courier service and (b) addressed as follows:

To Mortgagee: Archer Bank
4970 South Archer Avenue
Chicago, Illinois 60632
Attention: Michael J. Nisbet

With copy to: Michael S. Roberts
Connelly Roberts & McGivney LLC
One North Franklin
Suite 1200
Chicago, Illinois 60606

To Mortgagor: Teresita Marsal-Avila
2500 South Drake
Chicago, Illinois 60623

or to each such party at such other addresses as such party may designate in a written notice to the other parties.

45. Information Concerning Mortgagor. So long as the obligations of Mortgagor remain unpaid, Mortgagor will promptly supply Mortgagee with such information concerning its affairs and property as Mortgagee may reasonably request from time to time hereafter; and promptly notify Mortgagee of any condition or event which constitutes a breach or Event of Default of any term, condition, warranty, representation or provision of this Mortgage or any of the Loan Documents and of any material adverse change in the financial condition of Mortgagor or Master Lessee.

46. Partial Invalidity. All rights, powers and remedies provided herein are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid or unenforceable, the validity and enforceability of the other terms of this Mortgage shall in no way be affected thereby.

47. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagor, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

48. Joint and Several Liability. The covenants, agreements, representations and warranties contained herein shall constitute the joint and several covenants, agreements, representations and warranties of Mortgagor except as otherwise specifically provided herein and the occurrence of any Event of Default with respect to Mortgagor shall constitute an event entitling Mortgagee to invoke the remedies herein provided for.

49. Time is of the Essence. Time is of the essence of this Mortgage.

50. Holidays. If any payment required to be made hereunder or in respect of the Note shall fall due on a Saturday, Sunday or other day which is a legal holiday for banks in the State of Illinois, such payment shall be made on the next succeeding bank business day and interest at the rate the Note bear for the period prior to maturity shall continue to accrue on any principal installment thereon from the stated due date thereof to and including the next succeeding bank business day on which the payment is payable.

51. Survival of Covenants, Etc. All covenants, representations and warranties made herein or in any statement or certificate delivered to Mortgagee pursuant to any of the provisions hereof shall survive the making of the loan contemplated hereby and shall continue in full force and effect until the obligations of Mortgagor hereunder and the indebtedness evidenced by the Note have been fully paid and satisfied and this Mortgage has been released of record by Mortgagee.

52. Default Interest Rate. For purposes of this Mortgage, "Default Interest Rate" shall mean the "Default Interest Rate" as defined in the Note.

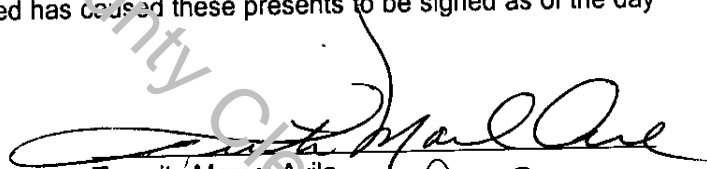
53. Headings. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

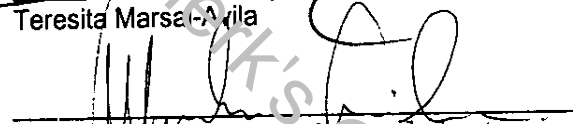
54. Changes, Etc. This instrument and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

55. Governing Law. This Mortgage shall be governed by and construed under the laws of the State of Illinois.

56. Future Advances. Mortgagee shall have the right, but not the obligation, to advance additional funds to Mortgagor; and any sum or sums which may be so loaned or advanced by Mortgagee to Mortgagor, together with interest thereon at the rate agreed upon at the time of such loan or advance, shall be equally secured with and have the same priority as the original indebtedness and be subject to all the terms and provisions of this Mortgage. Subject to the preceding sentence, this Mortgage is further made to secure payment of all other amounts, with interest thereon, becoming due and payable to Mortgagee under the terms of the Note, this Mortgage, or any other instruments securing the Note; provided, however, that the indebtedness secured hereby shall in no event exceed \$440,000.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed as of the day and year first above written.


Teresita Marsal-Avila


Alfredo Avila, signing solely to perfect the waiver of homestead.

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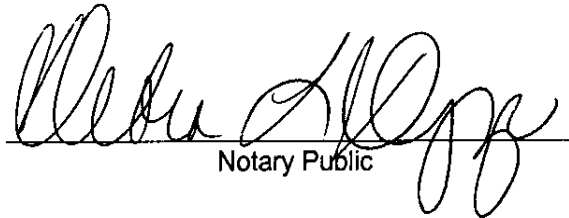
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I HEREBY CERTIFY that on this 11th day of July, 2002, before me personally appeared Teresita Marsal-Avila, to me known to be the same person who signed the foregoing instrument as her free act and deed for the use and purpose therein mentioned, and that the said instrument is the act and deed of her.

WITNESS my signature and official seal at Cook in the County of Cook and State of Illinois, the day and year last aforesaid.

(NOTARY SEAL)


Notary Public



Property of Cook County Clerk's Office

EXHIBIT A

LEGAL DESCRIPTION

2500 South Drake
Chicago, IL 60623

LOT 46 (EXCEPT THE SOUTH 10 FEET THEREOF) IN BLOCK 10 IN KING, SCOTT & WILSON'S ADDITION TO CHICAGO IN SECTION 26, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 16-28-224-038-0000

Property of Cook County Clerk's Office