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Doc#: 0335245020
Eugene "Gene" Moore Fee: \$60.50
Cook County Recorder of Deeds
Date: 12/18/2003 08:29 AM Pg: 1 of 19

This instrument was prepared by:

Michael A. Moynihan, Esq.
FREEBORN & PETERS
311 South Wacker Drive
Suite 3000
Chicago, Illinois 60606

After recording return to:
Comerica Bank
Attn: SBA Loan Department
P.O. Box 4167
Houston, Texas 77210-4167

Property Address:
8037 Blarney
Tinley Park, Illinois 60477

Permanent Real Estate
Tax Index No.:
27-35-403-006

MORTGAGE AND SECURITY AGREEMENT

THIS INDENTURE is made this 10th day of JUNE, 2003, by Chacko P. Thomas and Susamma Thomas, husband and wife and residents of the State of Illinois (collectively, the "Mortgagor"), in favor of COMERICA BANK, a Michigan banking association ("Mortgagee").

WITNESSETH:

WHEREAS, this Third Mortgage (this "Mortgage") is made and delivered by Mortgagor, as security for that certain Guarantee of Chacko P. Thomas ("Mr. Thomas"), of even date herewith, executed by Mr. Thomas in favor of Mortgagee ("Mr. Thomas's Guarantee"), and (ii) that certain Guarantee of Susamma Thomas, of even date herewith, executed by Mrs. Thomas in favor of Mortgagee ("Mrs. Thomas's Guarantee") (Mr. Thomas and Mrs. Thomas are referred to herein collectively as the "Guarantor" and Mr. Thomas's Guarantee and Mrs. Thomas's Guarantee are referred to herein collectively as the "Guarantee"), both in favor of Mortgagee in order to secure a loan (the "Loan") from Mortgagee to CTS Properties, Inc., an Illinois corporation ("CTS") in the original principal amount of Six Hundred Eighteen Thousand Three Hundred and no/100ths Dollars (\$618,300.00) which loan is evidenced by a promissory note, made by CTS to the order of Mortgagee in the original principal amount of the Loan (the "Note") (CTS hereinafter referred to as "Borrower"). Borrower's obligations under the Note, Mortgagor's obligations under this Mortgage and the Guarantor's obligations under the Guarantee are hereby collectively referred to as the "Obligations".

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NOW, THEREFORE, in order to secure the Obligations described in the Recitals above, including the performance of the covenants herein contained, and also to secure the payment of any and all other indebtedness, direct or contingent, that may now or hereafter become owing by Mortgagor as a direct or indirect result of the Obligations, Mortgagor does by these presents GRANT, BARGAIN, SELL, CONVEY and MORTGAGE unto Mortgagee, its successors and assigns forever, the real estate, situate, lying and being in the Village of Tinley Park, County of Cook, State of Illinois, as described on Exhibit A attached hereto and made a part hereof (the "Real Estate"), together with all improvements thereon situated and which may hereafter be erected or placed thereon, and all and singular the tenements, hereditaments, and appurtenances and easements thereunto belonging and the rents, issues and profits thereof, which are hereby expressly conveyed and assigned to the Mortgagee as additional security and as an equal and primary fund with the property herein conveyed for the performance of the Obligations and the repayment of all sums secured by this Mortgage.

It is mutually covenanted and agreed, by and between the parties hereto that, in addition to all other things which at law or by convention are regarded as fixtures, and specifically but not by way of limitation, all furniture, furnishings, appliances, equipment, fixtures and appurtenances now or hereafter acquired by Mortgagor and installed or located upon the Real Estate, whether attached or detached, and such other goods and chattels as may ever be furnished by a landlord in letting and operating an unfurnished building, similar to any building now or hereafter standing on said Real Estate, whether or not the same are or shall be attached to said building by nails, screws, bolts, pipe connections, masonry, or in any other manner whatsoever, which are now or hereafter to be used upon said described Real Estate shall be conclusively deemed to be "fixtures" and an accession to the freehold and a part of the realty, whether affixed or annexed or not, and conveyed by this Mortgage; and all the estate, right, title or interest of the said Mortgagor in said Real Estate, property, improvements, furniture, apparatus, furnishings and fixtures, are hereby expressly conveyed, assigned and pledged to Mortgagee hereby (the Real Estate and all other property described in this paragraph are hereinafter collectively referred to as the "Premises").

TO HAVE AND TO HOLD the above described Premises with the appurtenances and fixtures thereto appertaining or belonging unto the Mortgagee, its successors and assigns, forever, for the purposes herein set forth and to secure the Obligations hereinbefore described, and interest thereon.

The Mortgagor hereby expressly covenants and agrees with the Mortgagee, its successors and assigns, as follows:

1. Ability to Mortgage the Premises. That Mortgagor has unencumbered title, in fee simple, to the above described Premises and has full right and power to convey and mortgage the same and covenants and agrees to execute and deliver or cause to be executed and delivered same, subject only to subject only to: (i) a first mortgage (the "First Mortgage") in favor of Charter One Bank to secure an indebtedness in the original principal amount of Two Hundred

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Seventy-Five Thousand and 00/100ths Dollars (\$275,000.00) which First Mortgage was recorded in the office of the Cook County, Illinois Recorder on July 17, 2001, as Document Number 0010532535, and (ii) a second mortgage (the "Second Mortgage") in favor of Charter One Bank to secure an indebtedness in the original principal amount of Sixty-Two Thousand and 00/100ths Dollars (\$62,000.00) which Second Mortgage was recorded in the office of the Cook County, Illinois Recorder on August 10, 2001, as Document Number 0010732836.

2. Covenants of Mortgagor. The Mortgagor, its successors and assigns, agree as follows: (i) to pay all indebtedness hereby secured as the same from time to time becomes due and agrees that if remittance be made in payment of principal or interest or otherwise either by check or draft, it shall be subject to the condition that such check or draft may be handled for collection in accordance with the practice of the collecting bank or banks, and that any receipt issued therefor shall be void unless the amount due is actually received by the Mortgagee; (ii) to keep the Premises in good repair and commit no waste on said property and to do nothing and to permit nothing to be done that may impair the value of the Premises or the security intended to be effected by this Mortgage; (iii) to pay promptly, when due, all taxes and assessments, levied or assessed upon the Premises, and, in no event to permit said Premises, or any part thereof, to be sold or forfeited for nonpayment of such taxes or assessments; (iv) not to permit the lien of any mechanics or materialmen or any prior or coordinate lien of any kind to attach to or to remain against the said Premises; (v) to comply strictly with all of the laws, ordinances, and rulings of any municipal or other governmental department relating to said Premises. In the event the Mortgagor shall fail to keep and perform any of the foregoing covenants and agreements, then the Mortgagee may, at its option, (i) pay any delinquent taxes or assessments or redeem such Premises from any tax sale or forfeiture or purchase any tax title obtained or that shall be obtained thereon; (ii) pay or compromise any and all suits or claims for liens by mechanics or materialmen or any other suits or claims that may be made against said Premises; (iii) make repairs upon said Premises; or (iv) pay insurance premiums on policies covering said Premises; and the said Mortgagor further covenants and agrees to repay forthwith, without demand, all moneys paid for any such purpose and any other moneys advanced by the Mortgagee to protect the lien of this Mortgage, with interest thereon from the date of the payment at the rate of eleven percent (11%) per annum, and all such moneys shall, if not otherwise repaid, become so much additional indebtedness secured by this Mortgage and be included in any decree foreclosing this Mortgage and be paid out of the rents, issues and profits of the Premises hereinbefore described, or out of the proceeds of sale of said Premises; and it shall not be obligatory upon the Mortgagee to inquire into the validity of (i) any such tax deed, taxes or assessments or of sale or of forfeitures therefor, or (ii) claims of liens of mechanics or materialmen or other liens or claims affecting said Premises before advancing money in that behalf, as herein authorized, but nothing herein contained shall be construed as requiring the Mortgagee to advance or expend any moneys for any purpose aforesaid nor shall any such payments or advancements be construed so as to in any way limit or impair the right of the Mortgagee to avail itself of such default by taking such action at law or in equity as it may deem necessary or advisable to enforce the security hereby given it.

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3. Hazard Insurance. The Mortgagor further agrees to keep all buildings, improvements and fixtures, constituting part of the Premises, until the indebtedness secured hereby is fully repaid, insured against loss or damage, by fire, lightning, tornado, rents or other casualty for such amounts and in such insurance company or companies as may be satisfactory to the Mortgagee, and it is hereby expressly agreed that the Mortgagee shall not be liable for any failure to insure or for the insolvency or irresponsibilities of any such insurance company or companies. All sums recoverable on any such insurance policy shall be made payable to the Mortgagee, by a mortgagee clause, satisfactory to the Mortgagee, to be attached to such policies, except in case of sale pursuant to a foreclosure of this Mortgage, from which time and until the period of redemption, if any, shall expire, said insurance policy or policies shall be made payable to the holder of the certificate of sale. All such policies shall be retained by the Mortgagee as additional security for the Obligations secured by this Mortgage and by the purchaser under any sale or decree of foreclosure; and in the event any such insurance policy shall expire during the life of this Mortgage, or any extension thereof, the Mortgagor hereby agrees to procure and pay for insurance policies complying with the above qualifications, replacing said expired policies and deposit same with the Mortgagee together with receipts (showing the premiums therefor have been paid in full) ten (10) days prior to said expiration date. Such insurance policy shall provide that Mortgagee shall be given not less than ten (10) days advance notice of cancellation or termination of the policy. In case of loss the Mortgagee or the holder of any certificate of sale, or the holder of the decree of sale, is hereby authorized to settle and adjust any claims under such policies or to allow said Mortgagor to settle with the insurance company or companies the amount to be paid upon the loss; and in either case such holder of the policy is authorized to collect and receipt for any such insurance money and apply it, at the option of the Mortgagee, in reduction of the principal or any other indebtedness hereby secured, whether due or not, or may allow the Mortgagor to use said insurance money, or any part thereof, in repairing the damage or restoring the improvements, without affecting the lien hereof for the full amount secured hereby, and during the time said insurance money may be retained by the Mortgagee, the Mortgagee shall not be liable for any interest thereon; that in case of a loss after foreclosure proceedings have been instituted, the proceeds of any such insurance, if not applied as aforesaid in repairing damage or restoring improvements, shall be used to pay the amount due in accordance with the decree of foreclosure and any other indebtedness secured hereby, and the balance, if any, shall be paid to the owner of the equity of redemption, if any, on reasonable request or as the court may direct. Notwithstanding any of the foregoing provisions to the contrary, the Mortgagee shall, prior to the institution of foreclosure proceedings and provided Mortgagor is not then in default under any of the terms or provisions of this Mortgage, allow the Mortgagor to use any insurance proceeds in repairing the damage or restoring the improvements subject to such terms and conditions as Mortgagee may reasonably impose as to disbursement of such proceeds.

4. Events of Defaults. In case of (a) a default by the Guarantor with respect to the Guarantee, which default remains uncured beyond any cure period provided in such Guarantee, or (b) a default by Borrower under the Note, which default remains uncured beyond any cure period provided in the Note, or (c) a default by Mortgagor in the performance of its obligations hereunder, which default shall continue beyond the cure period contained herein; or (d) the

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failure of Mortgagor to pay any tax, insurance premium, water rate or assessment for ten (10) days after the due date therefor; or (e) upon failure or default in the performance of any of the covenants contained in this Mortgage continuing for a period of ten (10) days; or (f) in the event that any proceeding shall be begun to enforce or collect any junior lien against the Premises; or (g) said Premises coming into the possession or control of any court; or (h) threatened removal or demolition of any improvements on the Premises or portion thereof; or (i) any default under the First Mortgage or the note which is secured by the First Mortgage; or (j) any default under the Second Mortgage or the note which is secured by the Second Mortgage, then, Mortgagor shall be deemed in default hereunder and Mortgagee shall be entitled to exercise any of its remedies set forth in Section 5 hereof.

5. Remedies. When any event of default which is not cured within the applicable grace period, if any, has occurred 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) Foreclosure. Mortgagee may proceed to protect and enforce the rights of the 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. (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 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 Premises. All 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 Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage or the 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 Rate identified in the Note until paid (hereinafter defined).

(b) Appointment of Receiver. In any foreclosure proceeding the court shall, upon application, at once, and with ten (10) days notice to Mortgagor, or any party claiming under

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Mortgagor, and without giving bond on such application (such notice and bond being hereby expressly waived) and also without reference to the then value of said Premises, to the use of said Premises as a homestead, or to the solvency or insolvency of any person liable for any said indebtedness, appoint a receiver for the benefit of the legal holder of the indebtedness secured hereby, to take possession of the Premises, with power to collect rents, issues and profits of the Premises, then due or to become due, during the pendency of such foreclosure suit, and until the time to redeem the same shall expire (such rents, issues and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by this Mortgage); this provision for appointment of a receiver being expressly a condition upon which the loan hereby secured was made.

(c) Taking Possession, Collecting Rents, Etc. Upon demand by Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee may enter and take possession of the Premises or any part thereof personally, by its agent or attorneys or be placed 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 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 Mortgagor, or in its own name as Mortgagee and under the powers herein granted:

- (1) enter upon the 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 Premises, including without limitation actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;
- (2) cancel or terminate any lease or sublease of all or part of the Premises for any cause or on any ground that would entitle Mortgagor to cancel the same;
- (3) elect to disaffirm any lease or sublease of all or any part of the Premises made subsequent to this Mortgage without Mortgagee's prior written consent;
- (4) extend or modify any then existing leases and make new leases of all or any part of the 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 expiration date of the Guarantee or the maturity date of 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

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Mortgagor, all persons whose interests in the 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;

(5) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Premises as may seem judicious to Mortgagee, to insure and reinsure the 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

(6) apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of taxes, premiums and other charges applicable to the 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 Premises. The right to enter and take possession of the 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. Mortgagor hereby further expressly releases and waives any and all damages and claims for damages occasioned by such expulsion, except as result from the wrongful act or omission of Mortgagee, its agents or contractors. 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 a rate of nine percent (9%) per annum. 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 Premises, Mortgagee may, in the event the Premises become vacant or are abandoned, take such steps as it deems appropriate to protect and secure the Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the rate of eleven percent (11%) per annum.

6. Compliance with State and Federal Law.

(a) Compliance with Federal Law. The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

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1. When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
2. Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

(b) Compliance with Illinois Law. 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. In addition:

1. If any provisions of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the 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; provided, however, that nothing herein contained shall be deemed to derogate from any cure rights or notice requirements expressly provided for in this Mortgage.
2. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated herein shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

7. Waiver of Right to Redeem From Sale - Waiver of Appraisalment, Valuation, Etc. 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

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waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the 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. To the fullest extent permitted by law, Mortgagor hereby voluntarily and knowingly waives its rights of reinstatement and redemption as allowed under Section 15-1601(b) of the Act, on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

8. Costs and Expenses of Foreclosure. All fees and expenses allowable pursuant to the provisions hereof shall be additional indebtedness secured hereby and shall be a charge upon said Premises and shall constitute a lien thereon prior and paramount to the principal note and interest secured hereby, and whenever possible shall be provided for in any judgment or decree entered in any such proceedings. There shall be included in any decree foreclosing the lien of this Mortgage and be paid out of the rents or proceeds of any sale made in pursuance of any such decree in the following order: (1) all costs of such suit or suits, advertising, sale and conveyance, reasonable attorneys' fees of attorneys for the Mortgagee, stenographers' fees, outlays for documentary evidence and costs of abstract and examination of title, title opinions and title guaranty policies; (2) all moneys advanced by the Mortgagee for any purpose authorized in the Mortgage, with interest on such advances at a rate of eleven percent (11%) per annum (the "Default Rate"); (3) all the accrued interest remaining unpaid on the indebtedness hereby secured; (4) all of the principal note at such times remaining unpaid. The overplus of the proceeds of the sale, if any, shall then be paid to the Mortgagor. In case, after legal proceedings are instituted to foreclose the lien of this indenture, after the failure of Mortgagor to cure any default under the terms hereof prior to the expiration of any applicable grace periods, tender is made of the entire indebtedness due hereunder, the Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, and such expenses shall be so much additional indebtedness secured by this indenture, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses and charges shall have been paid in full.

The Mortgagor promises to pay all costs, expenses and reasonable attorneys' fees incurred by the Mortgagee in collecting the debt secured hereby whether by foreclosure, suit or otherwise, in protecting or sustaining the lien of this Mortgage or in any litigation or controversy arising from or in connection with the Guarantee or the Note or this Mortgage, together with interest thereon, provided the same are incurred after the failure of Mortgagor to cure any default hereunder prior to the expiration of any applicable grace periods, from the date of payment at the

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Default Rate and the Mortgagor agrees that any such sums and the interest thereon shall be a lien on said Premises and property and shall be secured by this Mortgage.

9. Application of Proceeds. The proceeds of any foreclosure sale of the Premises or of any sale of property shall be distributed in the following order of priority: First, on account of all costs and expenses incident to the foreclosure or other proceedings; Second, to all other items which under the terms hereof constitute indebtedness hereby secured with interest thereon as herein provided; Third, to all amounts due and owing under the Guarantee.

10. Mortgagee's Remedies Cumulative - No Waiver. No remedy or right of Mortgagee shall be exclusive of 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. 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.

11. Mortgagee Party to Suits. If Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the 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 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, immediately and without 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 rate of eleven percent (11%) per annum.

12. Environmental Matters. The Mortgagor agrees to indemnify, defend and hold Mortgagee harmless from and against any and all loss, cost (including attorney fees), liability and damage whatsoever, including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the presence, use, generation, storage or disposal of "Hazardous Substances" or "Hazardous Waste" (as those terms are defined or cross-referenced in the applicable provisions of the Code of Federal Regulations pertaining to the United States Environmental Protection Authority) or similarly dangerous contaminants in, on, under or, in the proximate vicinity of the Premises and the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, incurred by Mortgagee by reason of any violation of any applicable statute or regulation for the protection of the environment which occurs or has occurred upon the Premises, or by reason of the imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of

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such violation. It is expressly understood and agreed that to the extent that Mortgagee is strictly liable under any such statute, Mortgagor's obligation to Mortgagee under this indemnity shall likewise be without regard to fault on the part of Mortgagor with respect to the violation of law which results in liability to Mortgagee. The provisions of this Section 12 shall survive the performance of the Obligations, the repayment of any additional sums or indebtedness hereby secured, the release of the Mortgage and all other indication of termination of the relationship between the Mortgagor and Mortgagee.

13. Costs upon Foreclosure or Public Sale. In the case of the foreclosure of the lien of this Mortgage by the Mortgagee, in any court of law or equity, or the public sale of the Premises by Mortgagee there shall be allowed all court costs and expenses incurred by the Mortgagee, including reasonable attorney's fees, stenographers' charges, cost of procuring a complete abstract of title to said Premises and continuations thereof, opinions of title or title guaranty policies and continuations thereof covering said foreclosure proceedings, cost of procuring testimony and evidence and all costs and expenses incurred by the Mortgagee in and about any such suit or proceeding or sale, or in the preparation therefor; and in case the Mortgagee shall be made party to any suit or legal proceedings by reason of this Mortgage, its costs, expenses and reasonable attorneys' fees in such suit or proceedings shall be paid by the Mortgagor and if not paid shall become so much additional indebtedness hereunder and shall be a further lien or charge upon said Premises.

14. Due on Sale. Mortgagor will not without the prior written consent of Mortgagee, transfer, convey, mortgage, assign or encumber the Premises. If Mortgagor is a trust, the beneficiaries of Mortgagor will not encumber, assign or convey their beneficial interest in Mortgagor without the prior written consent of Mortgagee. If the Mortgagor is a partnership, there shall be no encumbrance, assignment or conveyance of a majority in interest of the original partners in the partnership without the prior written consent of Mortgagee. If the Mortgagor is a corporation, there shall be no encumbrance, assignment or conveyance of a majority of the shareholders of the corporation without the prior written consent of Mortgagee. Whenever the consent of Mortgagee is required under this paragraph, such consent may be withheld by Mortgagee for any reason.

15. Prepayment. Mortgagor may prepay, at any time, the outstanding principal balance due under the Note (along with any other sums due to the obligee thereunder, including any prepayment fees or charges required to be paid under the Note) only in accordance with the terms of the Note. Upon the permitted prepayment by Mortgagor of all amounts described in the preceding sentence, Mortgagee shall release the encumbrance of this Mortgage from the Premises and shall reconvey same to Mortgagor.

16. Liens. No lien provided for by the Statutes of Illinois, in force at any time while the lien hereof exists, in favor of any person furnished labor or materials in the erection or repair of any building now or hereafter on said land, shall attach to said land or building, except as subject and subordinate to the lien of this instrument and any person dealing with said Premises after the

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recording of this instrument is hereby charged with notice of and consent to this stipulation, and with a waiver of any lien except as subject and subordinate hereto.

17. Change in Law. In the event of the passage, after the date of this Mortgage, of any law of the State of Illinois deducting from the value of land for the purpose of taxation any lien thereon or changing in any way the laws now in force for the taxation of Mortgages for State or local purposes or the manner of collection of such tax so as to make it obligatory upon the Mortgagee to pay such tax, or if any such tax is imposed under any existing law, then the whole of the principal sum secured hereby, together with accrued interest thereon shall, at the option of the Mortgagee, after thirty (30) days notice to the Mortgagor, become due and payable, and the said Mortgagee shall have the right to foreclose immediately this Mortgage, unless said Mortgagor shall pay such tax or charge forthwith upon demand or unless adequate title insurance over any such lien is provided to Mortgagee; provided, however, that should the payment of such tax or charge result in usury, then only such portion of such tax or charge shall be paid by the Mortgagor as will not amount to an exaction of interest in excess of the highest rate permitted by law.

18. Remedies Cumulative. All rights and remedies given to the Mortgagee by the covenants, undertakings and provisions of this Mortgage, are deemed to be cumulative and not in any way in derogation of the rights of the Mortgagee under the laws of the State of Illinois and the invalidity of any one or more covenants, phrases, sentences, clauses or paragraphs of this Mortgage shall not affect the remaining portions of this indenture, or any part hereof; and the failure on the part of the Mortgagee to exercise any option or privilege granted under the note or Mortgage shall not be deemed a waiver of such option or privilege nor estop the Mortgagee from at any time in the future exercising such option or privilege.

19. Covenants Run with Land. Every covenant and agreement, condition, promise and undertaking herein, of said Mortgagor, shall run with the land, is a condition upon which the loan secured was made, and is of the essence of this instrument, and breach of any thereof shall be deemed a material breach going to the substance hereof and shall extend to and be binding upon the Mortgagor and any and all persons claiming by, through or under the Mortgagor, to the same effect as if they were in every case named and expressed and all of the covenants hereof shall bind them and each of them, both jointly and severally and shall inure to the benefit of the Mortgagee, its successors and assigns; any notice to be given hereunder may be given by first-class mail, the date of mailing to be taken as the date of giving such notice and without respect to the actual receipt thereof.

20. Assignment of Leases. Mortgagor agrees that as additional security for the payment of the indebtedness secured hereby, any and all future leases or subleases made by Mortgagor or its tenants for all or any part of the Premises. During the term of this Mortgage, each lease of Mortgagor shall contain a provision requiring that at the election of the holder of the indebtedness, the tenant will assign any permitted sublease to such holder.

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21. Public Liability Insurance. Mortgagor shall provide Mortgagee with a certificate of insurance establishing that the Mortgagor is insured for comprehensive general public liability insurance with respect to the Premises, which insurance shall provide single limit coverage for not less than \$1,000,000.00. Such insurance shall be placed with a company acceptable to the Mortgagee and shall provide that Mortgagee shall be given not less than ten (10) days advance notice of cancellation or termination of the policy.

22. Additional Collateral - Security Agreement. With respect to the Additional Collateral (hereinafter defined):

(a) Mortgagor hereby grants a security interest in and to, and hereby sells, conveys, confirms, mortgages and sets over unto Mortgagee and its successors and assigns, all (i) furniture, furnishings, appliances, equipment, fixtures and appurtenances now or hereafter acquired by Mortgagor and installed or located upon the Real Estate, (ii) all contract rights of Mortgagor pertaining or with respect to the Real Estate, and (iii) all other property interests, intangible rights or other interests held or capable of being held by Mortgagor with respect to the items described in subsection (1) above or the Real Estate (collectively, the "Additional Collateral") whether now or hereafter located, erected on or placed in or upon the Real Estate or any part thereof, and all replacements thereof and accessions thereto and all proceeds thereof. Mortgagor represents and covenants that (y) except for the security interest granted hereby, Mortgagor is the owner of the Additional Collateral free from any lien, security interest or encumbrance, and (z) Mortgagor has made payment in full for all such Additional Collateral. Mortgagor will, upon request from Mortgagee, deliver to Mortgagee such further security agreements, chattel mortgages, financing statements and evidence of ownership of such items as Mortgagee may specify in such request.

(b) If a default shall occur under the Note or this Mortgage and be continuing beyond the expiration of any applicable grace and notice periods, Mortgagee shall have all rights and remedies available to Mortgagor under the Note and this Mortgage as well as all rights and remedies of a "secured party" under the Illinois Uniform Commercial Code, 810 ILCS 5/1-101, et seq. ("Code"). Mortgagor hereby waives all rights that may legally be waived and agrees that ten (10) days notice by Mortgagee to Mortgagor is fair and reasonable notification under the Code of any public sale of any of the Additional Collateral and is also fair and reasonable notification after which any private sale or other disposition of the Additional Collateral can occur. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee in connection with the enforcement or assertion of any rights or remedies of Mortgagee shall be included in the indebtedness secured hereby and shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. Mortgagor agrees that, without the written consent of Mortgagee, Mortgagor will not remove or permit to be removed from the Real Estate any of the Additional Collateral except that so long as Mortgagor is not in default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Additional Collateral in the ordinary course of Mortgagor's business or when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of Mortgagor's business from

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the Real Estate, but only upon replacing the same with, or substituting for the same, other Additional Collateral at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Additional Collateral shall be subject to the security interest created hereby and that the security interest of Mortgagee shall be perfected and prior to any other security interest, it being expressly understood and agreed that all replacements, substitutions and additions to the Additional Collateral shall be and become immediately subject to the security interest of this Mortgage and Security Agreement and covered hereby. Mortgagor covenants and represents that all of the Additional Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto, unless Mortgagee otherwise consents, will be, free and clear of any other liens, encumbrances, title retention devices and security interests.

(c) Mortgagor, upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee, a separate security agreement, financing statement or other similar security instruments, in form satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor, which in the sole opinion of Mortgagee is essential to the operations of Mortgagor's business from the Real Estate and which constitutes goods within the meaning of the Code or concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Mortgage and Security Agreement, and Mortgagor will further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest and the priority of this Mortgage and Security Agreement and such security interest. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and re-filing of any such document. Mortgagor shall from time to time, on request of Mortgagee, deliver to Mortgagee an inventory of the Additional Collateral in reasonable detail

23. Eminent Domain. Mortgagor further covenants and agrees that if the above described Premises or any part thereof be condemned under any power of eminent domain or acquired for any public use or quasi-public use, the damages, proceeds, and consideration for such acquisition to the extent of the full amount of indebtedness upon this Mortgage and obligation secured hereby remaining unpaid, are hereby assigned by Mortgagor to Mortgagee, its successors or as said Mortgagee, its successors or assigns, to be applied on account of the last maturing installments of such indebtedness.

24. Payment of Taxes. Within fifteen (15) days of the due date of every installment of real estate taxes or special assessments hereafter accruing with respect to the subject Premises, Mortgagor shall present to Mortgagee, a photographic or other duplicated copy of the receipted tax bill showing the payment of such installment, or other evidence satisfactory to the Mortgagee that the tax payment has been made.

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25. Bankruptcy of Principal Party. If Borrower, the Guarantee or any principal of Mortgagor (a "Principal Party") shall make an assignment for the benefit of creditors, or if a receiver be appointed for Mortgagor or for any part of the Premises, or if any Principal Party files a petition in bankruptcy, or is adjudicated a bankrupt or files any petition or institutes any proceedings under the Federal bankruptcy laws of the United States, and such proceedings shall not be dismissed or order appointing a receiver shall not be dismissed within thirty (30) days, then on the happening of any one or more of these events, the whole indebtedness secured hereby shall immediately become due and payable, at the option of the Mortgagee, and this Mortgage may thereupon be foreclosed for the whole of said principal, interest and costs.
26. Cost of Collection. Mortgagor promises to pay all costs, expenses and reasonable attorneys' fees incurred by Mortgagee in enforcing its rights under this Mortgage, in collecting any debt secured hereby whether by foreclosure, suit or otherwise, in protecting or sustaining the lien of this Mortgage or in any litigation or controversy arising from or in connection with the Guarantee or the Note or this Mortgage, together with interest thereon, from the date of payment at the rate of eleven percent (11%), and Mortgagor agrees that any such sums and the interest thereon shall be a lien on said Premises and property and shall be secured by this Mortgage.
27. Forbearance. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Obligations hereby secured.
28. Severability. Wherever possible each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage. In the event of a conflict of any of the terms and provisions of this Mortgage with the terms and provisions of any other instrument or agreement given to create or evidence any of the Obligations secured by this Mortgage, Mortgagee may, at its option, determine which terms and provisions shall prevail.
29. Time of Essence; Waiver. It is specifically agreed that time is of the essence of this Mortgage. The waiver of any option, or any obligations secured hereby, shall not at any time thereafter be held to be abandonment of such rights. Notice of the exercise of any option granted to Mortgagee herein, or in the Obligations secured hereby, is not required to be given.
30. Successors and Assigns. All of the covenants herein contained of Mortgagor shall bind Mortgagor, its successors and assigns, and the benefits and advantages thereof shall inure to the benefit of Mortgagee, its successors and assigns. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.
31. Waiver of Homestead. Mortgagor hereby waives any and all homestead rights which Mortgagor may have in the Premises.

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32. Senior Mortgage. Mortgagor shall perform all of its obligations under the First Mortgage and the Second Mortgage on a timely basis and shall give to Mortgagee when received copies of any notices received from the mortgagees under the First Mortgage or the Second Mortgage, or the holder of the note(s) secured thereby. Mortgagor represents that (a) are no defaults under the First Mortgage or the Second Mortgage, (b) this Mortgage is permitted under the First Mortgage and the Second Mortgage, and (c) there are only uniform payments of principal and interest scheduled under the First Mortgage and the Second Mortgage. Mortgagor agrees that any sums advanced for the purpose of curing any default under the First Mortgage or the Second Mortgage shall become additional indebtedness secured hereby.

33. Notices. Notice from one party to another relating to this Mortgage shall be deemed effective if made in writing and delivered to the recipient's address set forth below by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, with return receipt requested, (c) first class or express mail, postage prepaid, or (d) Federal Express or like overnight courier service. Notice made in accordance with this paragraph shall be deemed delivered upon receipt if delivered by hand, three (3) business days after mailing if mailed by first class, registered or certified mail, or one business day after mailing or deposit with an overnight courier service if delivered by express mail or overnight courier. Any notice which either party hereto may desire or be required to give to the other party shall be addressed to:

MORTGAGOR

Chacko P and Susamma Thomas
8037 Blarney
Tinley Park, Illinois 60477

MORTGAGEE

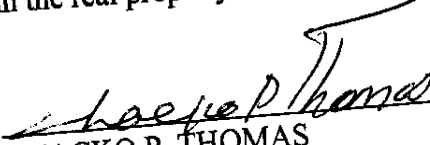
Comerica Bank
Attn: SBA Loan Department
PO Box 4167,
Houston, Texas, 77210-4167

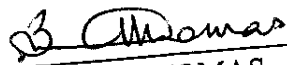
or at such other place as either party hereto may by notice in writing designate as a place for service of notice. This notice provision shall be inapplicable to any judicial or non-judicial proceeding where Illinois law governs the manner and timing of notices in foreclosure or receivership proceedings.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned, as Mortgagor, have caused these presents to be duly executed as of the day and year first above written and hereby expressly waive any and all homestead rights that the undersigned may have in the real property described on Exhibit A:


CHACKO P. THOMAS


SUSAMMA THOMAS

This Instrument was prepared by:

Michael A. Moynihan
FREEBORN & PETERS
311 South Wacker Drive
Suite 3000
Chicago, Illinois 60606
312/360-6000

When recorded return to:

Comerica Bank
Attn: SBA Loan Department
PO Box 4167,
Houston, Texas, 77210-4167

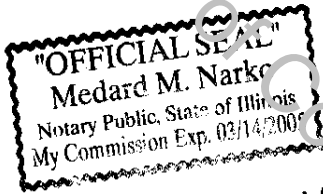
Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) ss
COUNTY OF Cook)

I, MEDARD M NARICO, a Notary Public, do hereby certify that CHACKO P. THOMAS and SUSAMMA THOMAS personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, including for the purpose of waiving their homestead rights, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 11th day of September 2003
MN MN



[Signature]
Notary Public

My Commission Expires: 3-14-05

Cook County Clerk's Office

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EXHIBIT A

Legal Description

LOT 55 IN AVONDALE MEADOWS PHASE 1, BEING A SUBDIVISION IN SECTION 35, TOWNSHIP 36 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property Address: 8037 Blarney, Tinely Park, Illinois 60477

Permanent Real Estate Tax Index No.: 27-35-403-006