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Eugene "Gene" Moore Fee: \$98.00
Cook County Recorder of Deeds
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THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

Michael D. Rothstein, Esq.
Schwartz, Cooper, Greenberger & Krauss, Chtd.
180 North LaSalle Street, Suite 2700
Chicago, Illinois 60601

Above Space for Recorder's Use Only

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
AND UCC FIXTURE FINANCING STATEMENT**

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND UCC FIXTURE FINANCING STATEMENT (this "Mortgage") is made and executed as of APRIL 25, 2005, by **PARKWAY BANK AND TRUST COMPANY**, not personally, but solely as Trustee ("Mortgagor") under a Trust Agreement dated June 17, 1997 and known as Trust Number 11707 ("Parkway Trust Agreement"), in favor of **FIRST MIDWEST BANK**, an Illinois banking corporation, having an office at 725 Waukegan Road, Deerfield, Illinois 60015 ("Lender").

RECITALS:

P.N.T.N.

A. Lender has agreed to make available to Mortgagor, Ionel Capalnas ("Ionel") and Cristina Capalnas, ("Cristina"; jointly, with Ionel, "Capalnas"), Cole Taylor Bank, not personally, but solely as Trustee ("Cole Taylor Trustee"), under that certain Trust Agreement dated June 10, 1996, and known as Trust No. 96-4074 ("Cole Taylor Trust Agreement") and Christina, the sole beneficiary under the Cole Taylor Trust Agreement and Parkway Trust Agreement (together with the Mortgagor, Ionel and the Cole Taylor Trustee are collectively referred to herein as the "Irving Park Borrowers") a loan in the maximum principal amount of One Million Seven Hundred Sixty Thousand and No/100 Dollars (\$1,760,000.00) (the "Irving Park Loan"). Repayment obligations of the Irving Park Borrowers with respect to the Irving Park Loan are evidenced by that certain Secured Term Promissory Note of even date herewith made by the Irving Park Borrowers in favor of Lender (as the same may be amended, restated, modified or supplemented and in effect from time to time the, "Irving Park Note"). The Irving Park Loan is secured, by among other things, this Mortgage, that certain Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement of even date herewith made by Capalnas in favor of Lender (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "Capalnas Mortgage") and that certain Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement of even date herewith made by the Cole Taylor Trustee in favor of Lender (as the same may be amended, restated,

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modified or supplemented and in effect from time to time, the "Cole Taylor Mortgage") encumbering the real property described therein. The Irving Park Note, this Mortgage, the Capalnas Mortgage, the Cole Taylor Mortgage and all other documents in favor of Lender to evidence or secure the Irving Park Loan, as each may be amended, restated, modified or supplemented and in effect from time to time, are hereafter collectively referred to as the "Irving Park Loan Documents".

B. Lender has agreed to make available to 7847 Developers LLC, an Illinois limited liability company ("7847 Developers"), a loan in the maximum principal amount of Three Million Nine Hundred Thousand and No/100 Dollars (\$3,900,000.00) (the "7847 Loan"). Repayment obligations of 7847 Developers with respect to the 7847 Loan are evidenced by that certain Secured Term Promissory Note of even date herewith made by 7847 Developers in favor of Lender (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "7847 Note"). The 7847 Loan is secured, by among other things, that certain Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing of even date herewith made by 7847 Developers in favor of Lender (as the same may be amended, restated, modified or supplemented from time to time, the "7847 Mortgage") encumbering the real property described therein. The 7847 Mortgage, the 7847 Note and all other documents in favor of Lender which evidence or secure the 7847 Loan, as each may be amended, restated, modified or supplemented and in effect from time to time, are collectively referred to herein as the "7847 Loan Documents".

C. Lender has agreed to make available to Capalnas a loan in the maximum principal amount of Six Million Nine Hundred Twenty Four Thousand and No/100 Dollars (\$6,924,000.00) to acquire the property commonly known as 7777 N. Caldwell Avenue, Niles, Illinois (the "7777 Loan"). Repayment obligations of Capalnas with respect to the 7777 Loan are evidenced by that certain Secured Term Promissory Note of even date herewith made by Capalnas, jointly and severally, in favor of Lender (as the same may be amended, restated, modified or supplemented and in effect from time to time the "7777 Note"). The 7777 Loan is secured, by among other things, that certain Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing of even date herewith made by Capalnas in favor of Lender (as the same may be amended, restated, modified or supplemented from time to time, the "7777 Mortgage") encumbering the real property described therein. The 7777 Note, 7777 Mortgage and all other documents in favor of Lender to evidence or secure the 7777 Loan, as each may be amended, restated, modified or supplemented and in effect from time to time, are hereafter collectively referred to herein as the "7777 Loan Documents".

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D. Lender has also agreed to make the following loans (collectively, the "A-American Custom Flooring Loans") available to A-American Custom Flooring, Inc., an Illinois corporation ("A-American Custom Flooring"): (i) revolving loans in the original principal amount of up to Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) pursuant to that certain Loan and Security Agreement by and between A-American Custom Flooring and Lender (as amended, restated, modified or supplemented and in effect from time to time, the "A-American Custom Flooring Loan Agreement"), and as evidenced by that certain Secured Revolving Promissory Note made by A-American Custom Flooring in favor of Lender in the principal amount of \$2,500,000.00 (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "A-American Custom Flooring Revolving Note"); and (ii) a term loan in the original principal amount of Three Hundred Fifty Thousand and No/100 Dollars (\$350,000.00) pursuant to the A-American Custom Flooring Loan Agreement, and as evidenced by that certain Secured Term Promissory Note made by A-American Custom Flooring in favor of Lender in the principal amount of \$350,000.00 (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "A-American Custom Flooring Term Note"). The A-American Custom Flooring Loan Agreement, A-American Custom Flooring Revolving Note, A-American Custom Flooring Term Note and all other documents in favor of Lender which evidence or secure the A-American Custom Flooring Loans, as each may be amended, restated, modified or supplemented and in effect from time to time, are hereafter collectively referred to as the "A-American Custom Flooring Loan Documents".

E. Lender has also agreed to make revolving loans (the "A-American Contractors Loans") in the original principal amount of up to One Million and No/100 Dollars (\$1,000,000.00) to A-American Contractors & Suppliers, Inc., an Illinois corporation ("A-American Contractors"), pursuant to that certain Loan and Security Agreement by and between A-American Contractors and Lender (as amended, restated, modified or supplemented and in effect from time to time, the "A-American Contractors Loan Agreement"), as evidenced by that certain Secured Revolving Promissory Note made by A-American Contractors in favor of Lender in the principal amount of \$1,000,000.00 (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "A-American Contractors Note"). The A-American Contractors Loan Agreement, A-American Contractors Note and all documents in favor of Lender which evidence or secure the A-American Contractors Loans, as each may be amended, restated, modified or supplemented and in effect from time to time, are hereafter collectively referred to as the "A-American Contractors Loan Documents".

F. This Mortgage is given to secure the Irving Park Loan, 7847 Loan, the 7777 Loan, the A-American Custom Flooring Loans and the A-American Contractors Loans (collectively, the "Loans") and secures not only present indebtedness but also future advances, whether such future advances are obligatory or are to be made at the option of Lender, or otherwise. The amount of indebtedness secured hereby may increase or decrease from time to time; however the principal amount of such indebtedness shall not at any one time exceed the amount of \$35,000,000.00 plus interest thereon, and other costs, amounts and disbursements as provided herein and in the other Loan Instruments (as hereinafter defined). The Irving Park Note, 7847 Note, the 7777 Note, the A-American Custom Flooring Revolving Note, the A-American Custom Flooring Term Note and the A-American Contractors Note are hereafter collectively referred to as the "Notes".

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GRANTING CLAUSES:

To secure the payment of the indebtedness evidenced by the Notes and the payment of all amounts due under and the performance and observance of all covenants and conditions contained in this Mortgage, the Notes, the Irving Park Loan Documents, the 7777 Loan Documents, the 7847 Loan Documents, the A-American Custom Flooring Loan Documents, the A-American Contractors Loan Documents, and any and all other mortgages, security agreements, assignments of leases and rents, guaranties, letters of credit and any other documents and instruments now or hereafter executed by the Irving Park Borrowers, Capalnas, 7847 Developers, A-American Custom Flooring, A-American Contractors or any party related thereto or affiliated therewith to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Notes and any and all renewals, extensions, amendments and replacements of this Mortgage, the Notes, the 7847 Loan Documents, the 7777 Loan Documents, the Irving Park Loan Documents, the A-American Custom Flooring Loan Documents, the A-American Contractors Loan Documents, (collectively, the "Loan Instruments" and individually, a "Loan Instrument") and to secure the payment of any and all other indebtedness and obligations of the Irving Park Borrowers, 7847 Developers, Capalnas, A-American Custom Flooring, A-American Contractors or any party related thereto or affiliated therewith to Lender, whether now existing or hereafter created, absolute or contingent, direct or indirect, liquidated or unliquidated, or otherwise (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as "Borrowers' Liabilities"), Mortgagor does hereby convey, mortgage, warrant, assign, transfer, pledge and deliver to Lender the following described property subject to the terms and conditions herein:

(A) The land located in Cook County, Illinois legally described in Exhibit A attached hereto and made a part hereof (the "Land");

(B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land and all machinery, appliances, equipment, furniture and all other personal property of every kind or nature which constitute fixtures with respect to the Land, together with all extensions, additions, improvements, substitutions and replacements of the foregoing (collectively, the "Improvements");

(C) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired (collectively, the "Appurtenances");

(D) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements or Appurtenances or any part thereof or to any rights appurtenant thereto;

(E) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any damage or taking, pursuant to the power of eminent domain, of the Land, Improvements or Appurtenances or any part thereof, (b) damage to all or any portion of the Land,

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Improvements or Appurtenances by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Land, Improvements, Appurtenances or of other property, or (c) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances or any part thereof; and, except as otherwise provided herein, Lender is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and, except as otherwise provided herein, to apply the same toward the payment of the indebtedness and other sums secured hereby;

(F) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements or Appurtenances;

(G) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land, Improvements or Appurtenances (collectively, the "Rents"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagor to collect and use the Rents as provided in this Mortgage;

(H) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Land, Improvements or Appurtenances, together with all security therefor and guaranties thereof and all monies payable thereunder, and all books and records owned by Mortgagor which contain evidence of payments made under the leases and all security given therefor (collectively, the "Leases"), subject, however, to the conditional permission given in this Mortgage to Mortgagor to collect the Rents arising under the Leases as provided in this Mortgage;

(I) Any and all after-acquired right, title or interest of Mortgagor in and to any of the property described in the preceding Granting Clauses; and

(J) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses;

All of the mortgaged property described in the Granting Clauses, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attaches pursuant to any of the Irving Park Loan Documents is sometimes referred to collectively as the "Mortgaged Property". The Rents and Leases are pledged on a parity with the Land and Improvements and not secondarily.

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ARTICLE 1

REPRESENTATIONS AND COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Lender as follows:

1.1 Performance under the Note, Mortgage and Other Loan Documents. Mortgagor shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof, of the Irving Park Note, every other Irving Park Loan Document and every instrument evidencing or securing Mortgagor's liabilities to Lender.

1.2 General Covenants and Representations. Mortgagor covenants, represents and warrants that as of the date hereof and at all times thereafter during the term hereof:

1.2.1 Mortgagor is seized of an indefeasible estate in fee simple in that portion of the Mortgaged Property which is real property, and has good and absolute title to it and the balance of the Mortgaged Property free and clear of all liens, security interests, charges and encumbrances whatsoever except for those liens listed on Exhibit C attached hereto (collectively, the "Permitted Liens");

1.2.2 Mortgagor has good right, full power and lawful authority to mortgage and pledge the Mortgaged Property as provided herein;

1.2.3 upon the occurrence of an Event of Default (as hereinafter defined), Lender may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Mortgaged Property in accordance with the terms hereof;

1.2.4 Mortgagor will maintain and preserve the lien of this Mortgage as a first and paramount lien on the Mortgaged Property subject only to the Permitted Liens until Borrowers' Liabilities have been paid in full;

1.2.5 Mortgagor will promptly repair, restore or rebuild any Improvements now or hereafter on the Land which may become damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, whether or not proceeds of insurance are available or sufficient for the purpose;

1.2.6 Mortgagor will pay when due the indebtedness to Lender in accordance with the terms of the Note and the other Irving Park Loan Documents and duly perform and observe all of the terms, covenants and conditions to be observed and performed by the Mortgagor under the Note, this Mortgage and the other Irving Park Loan Documents;

1.2.7 Mortgagor will pay when due any indebtedness which may be secured by a permitted lien or charge on the Mortgaged Property on a parity with, superior to or inferior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to Lender;

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1.2.8 Mortgagor will complete within a reasonable time any Improvements now or at any time in the process of erection upon the Land;

1.2.9 Mortgagor will comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Mortgaged Property and the use thereof;

1.2.10 Mortgagor will obtain and maintain in full force and effect, and abide by and satisfy the material terms and conditions of, all material permits, licenses, registrations and other authorizations with or granted by any governmental authorities that may be required from time to time with respect to the performance of its obligations under this Mortgage;

1.2.11 Mortgagor will make no material alterations in the Improvements or demolish any portion of the Improvements without the Lender's prior written consent, except as required by law or municipal ordinance;

1.2.12 Mortgagor will suffer or permit no change in the use or general nature of the occupancy of the Mortgaged Property, without the Lender's prior written consent;

1.2.13 Mortgagor will pay when due all operating costs of the Mortgaged Property;

1.2.14 Mortgagor will not initiate or acquiesce in any zoning reclassification with respect to the Mortgaged Property, without the Lender's prior written consent;

1.2.15 Mortgagor will provide and thereafter maintain adequate parking areas within the Mortgaged Property as may be required by law, ordinance or regulation (whichever may be greater), together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and

1.2.16 Mortgagor will shall comply, and shall cause the Mortgaged Property at all times to be operated in compliance, with all applicable federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations, including, without limitation, Mortgagor shall (i) ensure, and cause each of its subsidiaries to ensure, that no person who owns twenty percent (20.00%) or more of the equity interests in the Mortgagor, or otherwise controls the Mortgagor or any of its subsidiaries is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, (ii) not use or permit the use of the proceeds of the Loans to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (iii) comply, and cause each of its subsidiaries to comply, with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended.

1.3 Compliance with Laws and Other Restrictions. Mortgagor represents to the best of Mortgagor's knowledge that the Land and the Improvements and the use thereof presently comply with, and Mortgagor covenants that the Land and the Improvements and the use thereof

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will during the full term of this Mortgage continue to comply with, all applicable restrictive covenants, zoning and subdivision ordinances and building codes, licenses, health and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations.

1.4 Taxes and Other Charges.

1.4.1 Taxes and Assessments. Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or Borrowers' Liabilities or upon or against the interest of Lender in the Mortgaged Property, as well as all taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged Property or any part thereof. Upon Lender's request, Mortgagor shall promptly file, if it has not theretofore filed, such petition, application or other instrument as is necessary to cause the Land and Improvements to be taxed as a separate parcel or parcels which include no property not a part of the Mortgaged Property.

1.4.2 Taxes Affecting Lender's Interest. If any state, federal, municipal or other governmental law, order, rule or regulation, which becomes effective subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting taxes, so as to impose on Lender a tax by reason of its ownership of any or all of the Loan Instruments or measured by the principal amount of the Notes, requires or has the practical effect of requiring Lender to pay any portion of the real estate taxes levied in respect of the Mortgaged Property to pay any tax levied in whole or in part in substitution for real estate taxes or otherwise affects materially and adversely the rights of Lender in respect of the Notes, this Mortgage or the other Loan Instruments, Borrowers' Liabilities and all interest accrued thereon shall, upon thirty (30) days' notice, become due and payable forthwith at the option of Lender, whether or not there shall have occurred an Event of Default, provided, however, that, if Mortgagor may, without violating or causing a violation of such law, order, rule or regulation, pay such taxes or other sums as are necessary to eliminate such adverse effect upon the rights of Lender and does pay such taxes or other sums when due, Lender may not elect to declare due Borrowers' Liabilities by reason of the provisions of this Section 1.4.2.

1.4.3 Tax Escrow. Mortgagor shall, in order to secure the performance and discharge of Mortgagor's obligations under this Section 1.4, but not in lieu of such obligations, deposit with Lender on the first day of each calendar month throughout the term of the Loans, deposits, in amounts set by Lender from time to time by written notice to Mortgagor, in order to accumulate funds sufficient to permit Lender to pay all annual ad valorem taxes, assessments and charges of the nature described in Section 1.4.1 at least thirty (30) days prior to the date or dates on which they shall become delinquent. The taxes, assessments and charges for purposes of this Section 1.4.3 shall, if Lender so elects, include, without limitation, water and sewer rents. Mortgagor shall procure and deliver to Lender when issued all statements or bills for such obligations. Upon demand by Lender, Mortgagor shall deliver to Lender such additional monies

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as are required to satisfy any deficiencies in the amounts necessary to enable Lender to pay such taxes, assessments and similar charges thirty (30) days prior to the date they become delinquent. Lender shall pay such taxes, assessments and other charges as they become due to the extent of the funds on deposit with Lender from time to time and provided Mortgagor has delivered to Lender the statements or bills therefor. In making any such payments, Lender shall be entitled to rely on any bill issued in respect of any such taxes, assessments or charges without inquiry into the validity, propriety or amount thereof and whether delivered to Lender by Mortgagor or otherwise obtained by Lender. Any deposits received pursuant to this Section 1.4.3 shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender and Lender shall have no obligation to pay interest on amounts deposited with Lender pursuant to this Section 1.4.3. If any Event of Default occurs, any part or all of the amounts then on deposit or thereafter deposited with Lender under this Section 1.4.3 may at Lender's option be applied to payment of Borrowers' Liabilities in such order as Lender may determine.

1.4.4 No Credit Against the Indebtedness Secured Hereby. Mortgagor shall not claim, demand or be entitled to receive any credit against the principal or interest payable under the terms of the Notes or the Loan Instruments or on any of Borrowers' Liabilities for any of the taxes, assessments or similar impositions assessed against the Mortgaged Property or any part thereof or that are applicable to Borrowers' Liabilities or to Lender's interest in the Mortgaged Property.

1.5 Mechanic's and Other Liens. Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien or encumbrance (other than Permitted Liens) to be created upon or against the Mortgaged Property.

1.6 Insurance and Condemnation.

1.6.1 Hazard Insurance. Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of Lender, until Borrowers' Liabilities are paid in full, policies of hazard insurance in an amount which shall be not less than 100% of the full insurable replacement cost of the Mortgaged Property (other than the Land) insuring, on a replacement cost basis, the Mortgaged Property against loss or damage on a "special cause of loss" form, such insurable hazards, casualties and contingencies as are included therein and otherwise as Lender may reasonably require, including without limitation fire, windstorm, rainstorm, vandalism, earthquake and, if all or any part of the Mortgaged Property shall at any time be located within an area identified by the government of the United States or any agency thereof as having special flood hazards and for which flood insurance is available, flood. Mortgagor shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be acceptable to Lender. If any such policy shall contain a co-insurance clause it shall also contain an agreed amount or stipulated value endorsement. All such policies and renewals thereof shall be held by Lender and shall contain a "Lender's loss payable" clause making losses payable to Lender. Losses shall not be payable to any other party without Lender's prior written consent. In the event of loss, Mortgagor will give immediate written notice to Lender and Lender may make proof of loss if not made promptly by Mortgagor (for which purpose Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact). In the event of the foreclosure of this Mortgage or any other transfer of title to the

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Mortgaged Property in full or partial satisfaction of Borrowers' Liabilities, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that they shall not be modified, cancelled or terminated without at least thirty (30) days' prior written notice to Lender from the insurer.

1.6.2 Other Insurance. Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of, Lender, until Borrowers' Liabilities are paid in full, such other policies of insurance as may be reasonably required by the terms of the Loan Instruments or Lender.

1.6.3 Adjustment of Loss. Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies covering the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (which proceeds shall be disposed of in the manner provided in Section 1.6.5). Mortgagor hereby irrevocably appoints Lender 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 of 100% of all such losses directly to Lender alone. After deducting from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including without limitation attorneys' and adjusters' fees and charges, Lender shall apply the net proceeds as provided in Section 1.6.5. Notwithstanding the foregoing, if no Event of Default shall have occurred and is continuing, Mortgagor may make, settle and adjust claims involving less than \$500,000 in the aggregate without Lender's consent; provided, that the proceeds are used to repair the Mortgaged Property or applied to prepay the Notes.

1.6.4 Condemnation Awards. Lender shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Lender is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagor's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Lender after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees, may apply such net proceeds (except as otherwise provided in Section 1.6.5 of this Mortgage) to payment of Borrowers' Liabilities in such order and manner as Lender may elect. Mortgagor agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Lender may require.

1.6.5 Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Section 1.6.4, Mortgagor shall promptly and with all due diligence restore and repair the Mortgaged Property whether or not the proceeds, award or other compensation are released to

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Mortgagor or are sufficient to pay the cost of such restoration or repair. Except as otherwise provided below, the entire amount of such proceeds, award or compensation shall be applied to Borrowers' Liabilities plus any prepayment premium or penalty set forth in the Loan Instruments, in such order and manner as Lender may elect. To the extent permitted by the following paragraph, such proceeds, award or other compensation shall be made available to Mortgagor, on such terms and conditions as Lender may impose, for the purpose of financing the cost of restoration or repair with any excess to be applied to Borrowers' Liabilities in such order and manner as Lender may elect. Notwithstanding any other provision of this Section 1.6.5, if an Event of Default shall be existing at the time of such casualty, taking or other event or if an Event of Default occurs thereafter, Lender shall have the right to immediately apply all insurance proceeds, awards or compensation to the payment of Borrowers' Liabilities plus any prepayment penalty or premium set forth in the Loan Instruments, in such order and manner as Lender may elect.

Lender hereby agrees to permit the application of such proceeds, awards or compensation to the restoration or repair of the damaged property, if (i) Lender has received satisfactory evidence that such restoration or repair shall be completed no later than the date that is six (6) months prior to the maturity date of the Irving Park Note, (ii) no Event of Default, or event that with the passage of time, the giving of notice or both would constitute an Event of Default, then exists and (iii) such proceeds, awards or compensation are equal to or less than \$500,000.00. If insurance proceeds are made available to Mortgagor by Lender as hereinafter provided, Mortgagor shall repair, restore or rebuild the damaged or destroyed portion of the Mortgaged Property so that the condition and value of the Mortgaged Property is substantially the same as the condition and value of the Mortgaged Property prior to being damaged or destroyed. In the event of foreclosure of this Mortgage, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale. If insurance proceeds are made available by Lender to Mortgagor, Mortgagor shall comply with the following conditions:

(i) Before commencing to repair, restore or rebuild following damage to, or destruction of, all or a portion of the Mortgaged Property, whether by fire or other casualty, Mortgagor shall obtain from Lender its approval of all site and building plans and specifications pertaining to such repair, restoration or rebuilding.

(ii) Prior to each payment or application of any insurance proceeds to the repair or restoration of the improvements upon the Mortgaged Property to the extent permitted in this Section 1.6.5 (which payment or application may be made, at Lender's option, through an escrow, the terms and conditions of which are satisfactory to Lender and the cost of which is to be borne by Mortgagor), Lender shall be satisfied as to the following:

(a) no Event of Default or any event which, with the passage of time or giving of notice would constitute an Event of Default, has occurred;

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(b) either such Improvements have been fully restored, or the expenditure of money as may be received from such insurance proceeds will be sufficient to repair, restore or rebuild the Mortgaged Property, free and clear of all liens, claims and encumbrances, except the lien of this Mortgage and the Permitted Liens, or, if such insurance proceeds shall be insufficient to repair, restore and rebuild the Mortgaged Property, Mortgagor has deposited with Lender such amount of money which, together with the insurance proceeds shall be sufficient to restore, repair and rebuild the Mortgaged Property; and

(c) prior to each disbursement of any such proceeds, Lender shall be furnished with a statement of Lender's architect (the cost of which shall be borne by Mortgagor), certifying the extent of the repair and restoration completed to the date thereof, and that such repairs, restoration, and rebuilding have been performed to date in conformity with the plans and specifications approved by Lender and with all statutes, regulations or ordinances (including building and zoning ordinances) affecting the Mortgaged Property; and Lender shall be furnished with appropriate evidence of payment for labor or materials furnished to the Mortgaged Property and total or partial lien waivers substantiating such payments.

(iii) If Mortgagor shall fail to restore, repair or rebuild the Improvements within a time deemed reasonably satisfactory by Lender, then Lender, at its option, may (a) commence and perform all necessary acts to restore, repair or rebuild the said Improvements for or on behalf of Mortgagor, or (b) declare an Event of Default. If insurance proceeds shall exceed the amount necessary to complete the repair, restoration or rebuilding of the Improvements, such excess shall be applied on account of the Notes then due and payable plus any prepayment premium or penalty set forth in the Loan Instruments in such manner and order as Lender may elect.

1.6.6 Renewal of Policies. At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under this Section 1.6, a renewal thereof satisfactory to Lender shall be delivered to Lender or substitution therefor, together with receipts or other evidence of the payment of any premiums then due on such renewal policy or substitute policy.

1.6.7 Insurance Escrow. Upon the occurrence of an Event of Default, Mortgagor shall, in order to secure the performance and discharge of Mortgagor's obligations under this Section 1.6, but not in lieu of such obligations, deposit with Lender on the first day of each calendar month throughout the term of the Loans, a sum in an amount determined by Lender from time to time by written notice to Mortgagor, in order to accumulate funds sufficient to permit Lender to pay all premiums payable in connection with the insurance required hereunder at least thirty (30) days prior to the date or dates on which they shall become due. Upon demand by Lender, Mortgagor shall deliver to Lender such additional monies as are required to satisfy any

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deficiencies in the amounts necessary to enable Lender to pay such premiums thirty (30) days prior to the date they shall become due.

1.7 Non-Impairment of Lender's Rights. Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Lender under any provision of this Mortgage or of any statute or rule of law to pay and, upon Mortgagor's failure to pay the same, Lender may pay any amount required to be paid by Mortgagor under Sections 1.4, 1.5 and 1.6. Mortgagor shall pay to Lender on demand the amount so paid by Lender together with interest at the rate payable under the Irving Park Note after an Event of Default (the "Default Rate") and the amount so paid by Lender together with interest, shall be added to Borrowers' Liabilities.

1.8 Care of the Mortgaged Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagor shall not, without the prior written consent of Lender, permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof.

(b) No new improvements shall be constructed on the Mortgaged Property and no part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Lender.

1.9 Transfer or Encumbrance of the Mortgaged Property. Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance of, or any contract for any of the foregoing on an installment basis or otherwise pertaining to, the Mortgaged Property, any part thereof, any interest therein, or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property, whether by operation of law or otherwise, without the prior written consent of Lender having been obtained.

1.10 Further Assurances. At any time and from time to time, upon Lender's request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Lender, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Lender may consider reasonably necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, this Mortgage.

1.11 Assignment of Rents. The assignment of rents, income and other benefits contained in Section (G) of the Granting Clauses of this Mortgage shall be fully operative without any further action on the part of either party, and, specifically, Lender shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other benefits from the Mortgaged Property, whether or not Lender takes possession of such property. Such assignment and grant shall continue in effect until the Loans and all amounts due Lender under the Loan Instruments are paid in full, the execution of this Mortgage constituting and

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evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Lender pursuant to such grant, whether or not foreclosure proceedings have been instituted. Notwithstanding the foregoing, so long as no Event of Default has occurred or is continuing, Mortgagor shall have the right and authority to continue to collect the rents, income and other benefits from the Mortgaged Property as they become due and payable but not more than thirty (30) days prior to the due date thereof. Mortgagor acknowledges that, concurrently herewith, Mortgagor has executed and delivered to Lender, as additional security for the repayment of the Loans, an Assignment of Rents and Leases (the "Assignment") pursuant to which Mortgagor has assigned to Lender interests in the leases of the Mortgaged Property and the rents and income from the Mortgaged Property. All of the provisions of the Assignment are hereby incorporated herein as if fully set forth at length in the text of this Mortgage. Mortgagor agrees to abide by all of the provisions of the Assignment.

1.12 After-Acquired Property. To the extent permitted by, and subject to, applicable law, the lien of this Mortgage shall automatically attach, without further act, to all property hereafter acquired by Mortgagor located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof.

1.13 Leases Affecting Mortgaged Property. Mortgagor shall comply with and perform in a complete and timely manner all of its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. The assignment contained in Section (H) of the Granting Clauses shall not be deemed to impose upon Lender any of the obligations or duties of the landlord or Mortgagor provided in any lease.

1.14 Management of Mortgaged Property. Mortgagor shall manage, or shall cause the Mortgaged Property to be managed at all times in accordance with sound business practice.

1.15 Execution of Leases. Mortgagor shall not permit any leases to be made of the Mortgaged Property, or to be modified, terminated, extended or renewed, without the prior written consent of Lender.

1.16 Expenses. Mortgagor shall pay when due and payable, and otherwise on demand made by Lender, all loan fees, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, reasonable attorneys' fees, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Lender in connection with the Loans, including the preparation, execution, delivery and performance of this Mortgage. If Mortgagor fails to pay said costs and expenses as above provided, Lender may elect, but shall not be obligated, to pay the costs and expenses described in this Section 1.16, and if Lender does so elect, then Mortgagor will, upon demand by Lender, reimburse Lender for all such expenses which have been or shall be paid or incurred by it. The amounts paid by Lender shall bear interest at the Default Rate and such amounts, together with interest, shall be added to Borrowers' Liabilities, shall be immediately due and payable and shall be secured by the lien of this Mortgage and the other Loan Instruments. In the event of foreclosure hereof, Lender shall be entitled to add to the indebtedness found to be due by the

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court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure.

To the extent permitted by law, Mortgagor agrees to hold harmless Lender against and from, and reimburse it for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including without limitation attorneys' fees, which may be imposed upon, asserted against, or incurred or paid by it by reason of or in connection with any bodily injury or death or property damage occurring in or upon or in the vicinity of the Mortgaged Property through any cause whatsoever, or asserted against it on account of any act performed or omitted to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgaged Property, this Mortgage, the other Loan Instruments, any of the indebtedness evidenced by the Notes or any of Borrowers' Liabilities, provided, however, that Mortgagor shall not be obligated to indemnify or hold Lender harmless from and against any of the foregoing directly arising from the gross negligence or willful misconduct of Lender.

1.17 Lender's Performance of Mortgagor's Obligations. If Mortgagor fails to pay any tax, assessment, encumbrance or other imposition, or to furnish insurance hereunder, or to perform any other covenant, condition or term in this Mortgage, the Notes, or any other Loan Instrument, Lender may, but shall not be obligated to, pay, obtain or perform the same. All payments made, whether such payments are regular or accelerated payments, and costs and expenses incurred or paid by Lender in connection therewith shall be due and payable immediately. The amounts so incurred or paid by Lender shall bear interest at the Default Rate and such amounts, together with interest, shall be added to Borrowers' Liabilities and secured by the lien of this Mortgage and the other Loan Instruments. Following an Event of Default or following notice to Mortgagor if necessary to protect or preserve the Mortgaged Property, Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any covenant, condition or term that Mortgagor has failed to perform or observe, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Performance or payment by Lender of any obligation of Mortgagor shall not relieve Mortgagor of such obligation or of the consequences of having failed to perform or pay the same and shall not effect the cure of any Event of Default.

1.18 Payment of Superior Liens. To the extent that Lender, after the date hereof, pays any sum due under any provision of law or instrument or document creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, Lender shall have and be entitled to a lien on the premises equal in parity with that discharged, and Lender shall be subrogated to and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Lender to secure the Notes and all obligations and liabilities secured hereby. Lender shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under the Notes or other indebtedness secured hereby.

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1.19 Use of the Mortgaged Property. Mortgagor shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used for any purpose other than for the purposes for which it is currently being used and, without limitation of the foregoing, Mortgagor shall not use or permit the use of the Mortgaged Property or any portion thereof for any unlawful purpose.

1.20 Compliance with Environmental Laws. Mortgagor acknowledges that concurrently herewith Mortgagor has executed and delivered to Lender an Environmental Indemnity Agreement (the "Indemnity") pursuant to which Cristina and Ionel Capalnas, A-American Custom Flooring and A-American Contractors (collectively, the "Guarantors") have fully indemnified Lender for certain environmental matters concerning the Mortgaged Property, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage shall secure the obligations of Cristina and Guarantors thereunder. Mortgagor agrees to abide by all of the provisions of the Indemnity.

ARTICLE 2

DEFAULTS

2.1 Event of Default. The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) The failure by Mortgagor: (i) to make any payment of principal or interest on the date when due and such failure continues for five (5) calendar days; (ii) to pay or deposit when due any deposit for taxes and assessments due hereunder or any other sums to be paid by Mortgagor hereunder and such failure continues for five (5) calendar days; (iii) to keep, perform, or observe any covenant, condition or agreement contained in Sections 1.4.1, 1.6.1, 1.6.2, 1.9 or 1.20 hereof; or (iv) to keep, perform or observe any other covenant, condition or agreement on the part of Mortgagor in this Mortgage and the same is not cured to Lender's satisfaction within thirty (30) days after Lender gives Mortgagor written notice of such failure.

(b) The occurrence of an Event of Default under any of the other Loan Instruments.

(c) The untruth in any material respect of any warranty or representation made herein.

(d) An uninsured loss, damage, destruction or taking by eminent domain or other condemnation proceedings of any part of the Mortgaged Property.

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ARTICLE 3

REMEDIES

3.1 Acceleration of Maturity. If an Event of Default shall have occurred, Lender may declare Borrowers' Liabilities to be immediately due and payable, and upon such declaration Borrowers' Liabilities shall immediately become and be due and payable without further demand or notice. The foregoing shall not be in limitation of any provision contained in any other Loan Instrument, including without limitation any such provision pursuant to which Borrowers' Liabilities become immediately due and payable without action or election by Lender.

3.2 Lender's Power of Enforcement. If an Event of Default shall have occurred, Lender may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not Borrowers' Liabilities shall have been accelerated, and without prejudice to the right of Lender thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter proceed by any appropriate action or proceeding: (a) to enforce payment of the Notes and/or any other of Borrowers' Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Lender may determine. Without limitation of the foregoing, if an Event of Default shall have occurred, as an alternative to the right of foreclosure for the full indebtedness evidenced by the Notes and the interest accrued thereon and any other Borrowers' Liabilities, after acceleration thereof, Lender shall have the right to institute partial foreclosure proceedings with respect to the portion of Borrowers' Liabilities so in default, as if under a full foreclosure, and without declaring all of Borrowers' Liabilities to be immediately due and payable (such proceedings being referred to herein as "partial foreclosure"), and provided that, if Lender has not elected to accelerate all of Borrowers' Liabilities and a foreclosure sale is made because of default in payment of only a part of Borrowers' Liabilities, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of Borrowers' Liabilities. Any sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured portion of Borrowers' Liabilities, but as to such unmatured portion, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Lender may elect, at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate Borrowers' Liabilities by reason of any Event of Default upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. Lender may proceed with one or more partial foreclosures without exhausting its right to proceed with a full or partial foreclosure sale for any unmatured portion of Borrowers' Liabilities, it being the purpose to permit, from time to time a partial foreclosure sale for any matured portion of Borrowers' Liabilities without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any partial foreclosure in respect of any other portion of Borrowers' Liabilities, whether matured at the time or subsequently maturing, and without exhausting at any time the right of acceleration and the right to proceed with a full foreclosure. If at any foreclosure

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proceeding the Mortgaged Property shall be sold for a sum less than the total amount of indebtedness for which judgment is therein given, Lender, except as may be waived to shorten the redemption period, shall be entitled to the entry of a deficiency judgment against Mortgagor and all other persons and parties liable for the indebtedness, jointly and severally, and against the property of Mortgagor for the amount of such deficiency.

3.3 Lender's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, (i) Mortgagor, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Mortgaged Property, and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude Mortgagor and its agents and employees wholly therefrom.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Lender's demand, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Lender, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor shall pay to Lender, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to Lender, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(c) Upon every such entering upon or taking of possession, Lender, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof.

3.4 Leases. Lender is authorized to foreclose this Mortgage subject to the rights, if any, of any or all tenants of the Mortgaged Property, even if the rights of any such tenants are or would be subordinate to the lien of this Mortgage. Lender may elect to foreclose the rights of some subordinate tenants while foreclosing subject to the rights of other subordinate tenants.

3.5 Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase all or any portion of the Mortgaged Property and, upon compliance with the terms of the sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.6 Application of Foreclosure Sale Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Lender shall be applied by Lender to the indebtedness secured hereby in such order and manner as Lender may elect.

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3.7 Application of Indebtedness Toward Purchase Price. Upon any foreclosure sale, Lender may apply any or all of the indebtedness and other sums due to Lender under the Notes, this Mortgage or any other Loan Instrument to the price paid by Lender at the foreclosure sale.

3.8 Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws. Mortgagor hereby waives any and all rights of redemption. Mortgagor further agrees, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any reinstatement, appraisalment, valuation, stay or extension laws now or hereafter in force, or take any other action which would prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 *et seq.*, Illinois Revised Statutes) (as the same may be amended from time to time, the "Act")) or residential real estate (as defined in Section 15-1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601 of the Act.

3.9 Receiver - Lender in Possession. If an Event of Default shall have occurred, Lender, to the extent permitted by law and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and other sums secured hereby, shall be entitled as a matter of right and without any additional showing or proof, at Lender's election, to either the appointment by the court of a receiver (without the necessity of Lender posting a bond) to enter upon and take possession of the Mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as mortgagee in possession with the same power herein granted to a receiver and with all other rights and privileges of a mortgagee in possession under law. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect all rents, income and other benefits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such rents, income and other benefits actually received by Lender, whether received pursuant to this Section 3.9 or Section 3.3. Notwithstanding the appointment of any receiver or other custodian, Lender shall be entitled as pledgee to the possession and control of any cash, deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Lender.

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3.10 Mortgagor to Pay Borrowers' Liabilities in Event of Default; Application of Monies by Lender.

(a) Upon the occurrence of an Event of Default, Lender shall be entitled to sue for and to recover judgment against Mortgagor for Borrowers' Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Lender to recover such judgment shall not be affected by any taking of possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of Borrowers' Liabilities, Lender shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any judgment by Lender under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagor, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Lender hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before until Borrowers' Liabilities are paid in full.

(d) Any monies collected or received by Lender under this Section 3.10 shall be applied to the payment of compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender, and the balance remaining shall be applied to the payment of Borrowers' Liabilities, in such order and manner as Lender may elect, and any surplus, after payment of all Borrowers' Liabilities, shall be paid to Mortgagor.

3.11 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by the Notes, this Mortgage or any other Loan Instrument or any instrument evidencing or securing Borrowers' Liabilities is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Notes or any other Loan Instrument or any instrument evidencing or securing Borrowers' Liabilities, or now or hereafter existing at law, in equity or by statute.

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ARTICLE 4

MISCELLANEOUS PROVISIONS

4.1 Heirs, Successors and Assigns Included in Parties. Whenever Mortgagor or Lender is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Mortgagor, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Lender. This Section 4.1 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.2 Notices. All notices, requests, reports demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagor or Lender shall be directed to Mortgagor or Lender, as the case may be, in writing and shall be delivered personally or be sent by registered or certified mail, postage prepaid, return receipt requested, or by facsimile transmission, addressed as follows:

If to Lender: First Midwest Bank
749 Lee Street
Des Plaines, Illinois 60016
Attn: Mr. Paul Ebert
Facsimile: (847) 294-6592

with a copy to: Schwartz, Cooper, Greenberger & Krauss Chartered
180 North LaSalle Street, Suite 2700
Chicago, Illinois 60601
Attn: Bernard A. Schifke, Esq.
Facsimile: (312) 782-8416

If to Mortgagor: A-American Custom Flooring, Inc.
7777 N. Caldwell Street
Chicago, Illinois 60714
Attn: Ionel Capalnas
Facsimile: (847) 966-0507

with a copy to: Law Offices of Alfred L. Knorr
1141 Waukegan Road
Glenview, Illinois 60025
Attn: Alfred L. Knorr, Esq.
Facsimile: (847) 724-7575

or to such other address as Lender or Mortgagor may from time to time designate in writing to the other party. Notices sent by facsimile transmission shall be deemed to have been given when

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sent; notices sent by mail shall be deemed to have been given two (2) days after the date when sent by registered or certified mail; and notices delivered in person or sent by overnight courier service shall be deemed to have been given when received.

4.3 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

4.4 Invalid Provisions. In the event that any of the covenants, agreements, terms or provisions contained in this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein (or the application of the covenant, agreement, term held to be invalid, illegal or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.

4.5 Changes. Neither this Mortgage nor any term hereof may be released, changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by Mortgagor and Lender relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance. Any holder of a lien or encumbrance junior to the lien of this Mortgage shall take its lien subject to the right of Lender to amend, modify or supplement this Mortgage, the Notes or any of the other Loan Instruments, to extend the maturity of Borrowers' Liabilities or any portion thereof, to vary the rate of interest chargeable under the Notes and/or the other Loan Instruments and to increase the amount of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

4.6 Governing Law. This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

4.7 Required Notices. Mortgagor shall notify Lender promptly of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the violation of any rule, regulation, law or ordinance, the enforcement of which would materially and adversely affect the Mortgaged Property; (ii) material default by any tenant in the performance of its obligations under any lease of all or any portion of the Mortgaged Property or receipt of any notice from any such tenant claiming that a default by landlord in the performance of its obligations under any such lease has occurred; or (iii) commencement of any judicial or administrative proceedings by or against or otherwise adversely affecting Mortgagor or the Mortgaged Property.

4.8 Revolving Loan. This Mortgage is given to secure certain revolving credit loans and shall secure not only presently existing indebtedness under the Notes and the other Loan Instruments, but also future advances, whether such advances are obligatory or to be made at the option of the Lender, or otherwise, as are made within twenty (20) years from the date hereof to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and

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although there may be no indebtedness outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the real estate is located. This Mortgage secures, among other indebtedness, a "revolving credit" arrangement within the meaning of 815 ILCS 205/4.1 and 205 ILCS 5/5d. The total amount of indebtedness may increase or decrease from time to time, as provided in the Loan Instruments, and any disbursements which the Lender may make under this Mortgage, the Note or other Loan Instruments or any other document with respect hereto (e.g., for payment of taxes, insurance premiums or other advances to protect the Lender's liens and security interests, as permitted hereby) shall be additional indebtedness secured hereby. This Mortgage is intended to and shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the real estate, to the extent of the maximum amount secured hereby.

4.9 Release. Upon full payment and satisfaction of Borrowers' Liabilities, Lender shall issue to Mortgagor an appropriate release deed in recordable form.

4.10 Attorneys' Fees. Whenever reference is made herein to the payment or reimbursement of attorneys' fees, such fees shall be reasonable and shall be deemed to include compensation to staff counsel, if any, of Lender in addition to the fees of any other attorneys engaged by Lender.

4.11 Compliance with Illinois Mortgage Foreclosure 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. If any provision of this Mortgage shall grant to Lender any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender 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 in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

4.12 Intentionally Omitted.

4.13 Security Agreement.

(a) Mortgagor and Lender agree that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code of the State of Illinois, as in effect from time to time (the "UCC") with respect to (a) all sums at any time on deposit for the benefit of Mortgagor or held by Lender (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage or the other Loan Instruments, and (b) with respect to any personal property included in the Granting Clauses of this

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Mortgage, which personal property may not be deemed to be affixed to the Land or may not constitute a "fixture" (within the meaning of Section 9-102(a)(41) of the UCC) and (c) all property owned by Mortgagor described on Exhibit B attached hereto and made a part hereof (which property is hereinafter referred to as "Personal Property"), and all replacements of, substitutions for, additions to, and the proceeds thereof, and the "supporting obligations" (as defined in the UCC) (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "Collateral"), and that a security interest in and to the Collateral is hereby granted to Lender, and the Collateral and all of Mortgagor's right, title and interest herein are hereby assigned to Lender, all to secure payment of Borrowers' Liabilities. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Land; and the following provisions of this paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto.

(b) Mortgagor (being the Debtor as that term is used in the UCC) is and will be the true and lawful owner of the Collateral and has rights in and the power to transfer the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefiting Lender and no other party, and liens and encumbrances, if any, expressly permitted by the other Loan Instruments.

(c) The Collateral is to be used by Mortgagor solely for business purposes.

(d) The Collateral will be kept at the Land and will not be removed therefrom without the consent of Lender (being the Secured Party as that term is used in the UCC). The Collateral may be affixed to the Land but will not be affixed to any other real estate.

(e) The only persons having any interest in the Land are Mortgagor, Lender and holders of interests, if any, expressly permitted hereby.

(f) No financing statement (other than financing statements showing Lender as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor, at its own cost and expense, upon demand, will furnish to Lender such further information and will execute and deliver to Lender such financing statements and other documents in form satisfactory to Lender and will do all such acts as Lender may request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for Borrowers' Liabilities, subject to no other liens or encumbrances, other than liens or encumbrances benefiting Lender and no other party and liens and encumbrances

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(if any) expressly permitted hereby; and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Lender to be desirable.

(g) Upon an Event of Default hereunder, Lender shall have the remedies of a secured party under the UCC, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as Mortgagor can give authority therefor, with or without judicial process, may enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the UCC); and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the UCC. Lender may render the Collateral unusable without removal and may dispose of the Collateral on the Land. Lender may require Mortgagor to assemble the Collateral and make it available to Lender for its possession at a place to be designated by Lender which is reasonably convenient to both parties. Lender will give Mortgagor at least ten (10) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Lender may buy the Collateral at any public sale. Lender may buy the Collateral at a private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Land. If Lender so elects, the Land and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorneys' fees and legal expenses incurred by Lender, shall be applied against the Borrowers' Liabilities in such order or manner as Lender shall select. Lender will account to Mortgagor for any surplus realized on such disposition.

(h) The terms and provisions contained in this Section 4.13, unless the context otherwise requires, shall have the meanings and be construed as provided in the UCC.

(i) This Mortgage is intended to be a financing statement within the purview of Section 9-502 of the UCC with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Land. The addresses of Mortgagor (Debtor) and Lender (Secured Party) are set forth herein. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or counties where the Land is located.

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(j) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between Mortgagor or its agents as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Mortgagor, as lessor thereunder.

(k) Mortgagor represents and warrants that:

(i) Mortgagor is the record owner of the Land; and

(ii) Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage;

(l) Mortgagor agrees that:

(i) Lender is authorized to file a financing statement describing the Collateral;

(ii) Where Collateral is in possession of a third party, Mortgagor will join with Lender in notifying such third party of Lender's interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender;

(iii) Mortgagor will cooperate with Lender in obtaining control with respect to Collateral consisting of: deposit accounts, investment property, letter of credit rights and electronic chattel paper; and

(iv) Until the Borrowers' Liabilities are paid in full, Mortgagor will not change the state where it is located or change its company name without giving Lender at least thirty (30) days' prior written notice in each instance.

4.14 Remedies Against Other Collateral. The Mortgagor hereby acknowledges that certain Loan Instruments other than this Mortgage create liens on other real and personal property. The Mortgagor further acknowledges that this Mortgage and the other Loan Instruments are cross-defaulted and the Irving Park Loan secured hereby is also secured by the other Loan Instruments. The Mortgagor agrees that the Lender may proceed, at the same or at different times, to foreclose any or all liens against such collateral (or sell such collateral under power of sale) by any proceedings appropriate in the county and state where such collateral lies, and that no event of enforcement taking place in any county or state pursuant to any of the Loan Instruments shall preclude or bar enforcement in any other county or state or against any other property. Any foreclosure or other appropriate remedy brought in any county or state in which collateral is located may be brought and prosecuted as to any part of such collateral without regard to the fact that foreclosure proceedings or other appropriate remedies have or have not been instituted elsewhere on any other part of the collateral for the Loan.

4.15 Intentionally Omitted.

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4.16 Trustee's Exculpation. This Mortgage is executed by Parkway Bank and Trust (the "Trustee"), not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants that it possesses full power and authority to execute this instrument). It is expressly understood and agreed that all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by the Trustee solely in its capacity as trustee and not personally. It is further understood and agreed that the Trustee merely holds title to the Land and has no agents, employees or control over the management of the Land or Improvements and no knowledge or of other factual matters except as represented to the Trustee by the Beneficiary. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this Mortgage, all such liability being expressly waived by the Lender and by every person now or hereafter claiming any right or security hereunder; and the owner of any of the Indebtedness or cause of action for breach of any warranty, indemnity, representation, covenant, undertaking or agreement accruing hereunder shall look solely to the Trust estate or the Land and Improvements conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in the Notes provided or by action to enforce the personal liability of any guarantor.

[signature page follows]

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement to be executed by its duly authorized officer as of the day and year first above written.

**PARKWAY BANK AND TRUST
COMPANY, not personally, but solely as
Trustee under Trust Agreement dated June 17,
1997 and known as Trust No. 11707**



By: *Diane Y. Peszynski*
Name: Diane Y. Peszynski
Its: Vice President Trust Officer

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ACKNOWLEDGMENT

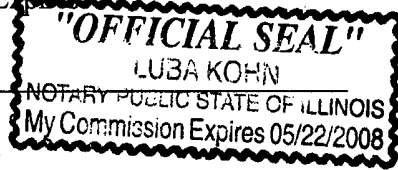
STATE OF Il)
COUNTY OF Cook) SS

I, the undersigned, a Notary Public in and for the state and county aforesaid, do hereby certify that before me this day personally appeared Diane Y. Peszynski, known to me to be the Vice President Trust Officer, of Parkway Bank and Trust Company, not personally, but solely as Trustee, that executed the foregoing Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement, and acknowledged to me that he/she executed and delivered the foregoing Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement as his/her free and voluntary act, for the uses set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 18th day of April, 2005.

Luba Kohn
Notary Public

My Commission Expires



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JOINDER BY BENEFICIARY

CRISTINA CAPALNAS (the "Beneficiary") hereby joins in the execution of this Mortgage, Assignment of Leases and Rents, Security Agreement, and UCC Fixture Financing Statement (the "Mortgage") for the purpose of joining herein, making the assignments, grants of security interests, transfers and conveyances hereunder, and making, undertaking and agreeing to the covenants, agreements, obligations, representations and warranties contained herein, all in accordance with and subject to the following (capitalized terms used herein and not otherwise defined have the meanings given them in the Mortgage):

1. Security Agreement. The Beneficiary and the Lender agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (a) all sums at any time on deposit for the benefit of the Beneficiary or held by the Lender (whether deposited by or on behalf of the Beneficiary or anyone else) pursuant to any of the provisions of this Mortgage or the other Loan Instruments, (b) with respect to any Collateral, and (c) all rights, powers, privileges and beneficial interest of the Beneficiary in, to and under the Trust Agreement, and that a security interest in and to the Collateral, the Trust Agreement and all of the Beneficiary's right, title and interest therein is hereby granted to the Lender, and the Collateral, the Trust Agreement and all of the Beneficiary's right, title and interest therein are hereby assigned to the Lender, all to secure payment of the indebtedness evidenced by the Notes. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Land and Improvements; and the following provisions of this section shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) The Beneficiary (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefiting the Lender and no other party, and liens and encumbrances, if any, expressly permitted by the other Loan Documents.

(b) The Collateral is to be used by the Beneficiary solely for business purposes.

(c) The Collateral will be kept at the Real Estate and, except for Obsolete Collateral, will not be removed therefrom without the consent of the Lender (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Real Estate but will not be affixed to any other real estate.

(d) The only persons having any interest in the Land are the Mortgagor, the Beneficiary, the Lender and holders of interests, if any, expressly permitted hereby.

(e) No Financing Statement (other than Financing Statements showing the Lender as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds

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thereof is on file in any public office except pursuant hereto; and the Beneficiary, at its own cost and expense, upon demand, will furnish to the Lender such further information and will execute and deliver to the Lender such financing statements and other documents in form satisfactory to the Lender and will do all such acts as the Lender may request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the indebtedness evidenced by the Notes, subject to no other liens or encumbrances, other than liens or encumbrances benefiting the Lender and no other party, and liens and encumbrances (if any) expressly permitted hereby; and the Beneficiary will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by the Lender to be desirable. The Beneficiary hereby irrevocably authorizes the Lender at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto, without the signature of the Beneficiary that (i) indicate the Collateral (A) is comprised of all assets of the Beneficiary or words of similar effect, regardless of whether any particular asset comprising a part of the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or (B) as being of an equal or lesser scope or within greater detail as the grant of the security interest set forth herein, and (ii) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether the Beneficiary is an organization, the type of organization and any organizational identification number issued to the Beneficiary, and (B) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of the real property to which the Collateral relates. The Beneficiary agrees to furnish any such information to the Lender promptly upon request. The Beneficiary further ratifies and affirms its authorization for any financing statements and/or amendments thereto, executed and filed by the Lender in any jurisdiction prior to the date of this Mortgage. In addition, the Beneficiary shall make appropriate entries on its books and records disclosing the Lender's security interests in the Collateral.

(f) Upon an Event of Default hereunder, the Lender shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as the Beneficiary can give authority therefor, with or without judicial process, may enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and the Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to the Beneficiary's

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right of redemption in satisfaction of the Beneficiary's obligations, as provided in the Code. The Lender may render the Collateral unusable without removal and may dispose of the Collateral on the Land. The Lender may require the Beneficiary to assemble the Collateral and make it available to the Lender for its possession at a place to be designated by the Lender which is reasonably convenient to both parties. The Lender will give the Beneficiary at least ten (10) days notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of the Beneficiary set forth herein at least ten (10) days before the time of the sale or disposition.

The Lender may buy at any public sale. The Lender may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Land and Improvements. If the Lender so elects, the Land, Improvements and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorneys' fees and legal expenses incurred by the Lender, shall be applied against the Indebtedness in such order or manner as the Lender shall select. The Lender will account to the Beneficiary for any surplus realized on such disposition.

(i) The terms and provisions contained in this section, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

(g) This Mortgage is intended to be a financing statement within the purview of Section 9-502(b) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Land. The addresses of the Beneficiary (Debtor) and the Lender (Secured Party) are set forth above. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or counties where the Land is located. The Mortgagor is the record owner of the Land.

(h) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between the Mortgagor and/or the Beneficiary and their its agents, as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of the Beneficiary, as lessor thereunder.

(i) The Beneficiary certifies, represents and warrants that: (i) the Mortgagor is the record owner of the Land; (ii) the Beneficiary is the record owner of all Personal Property; and (iii) the Beneficiary's exact legal name is as set forth above.

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(j) The Beneficiary hereby agrees that: (i) where Collateral is in possession of a third party, the Beneficiary will join with the Lender in notifying the third party of the Lender's interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of the Lender; (ii) the Beneficiary will cooperate with the Lender in obtaining control with respect to Collateral consisting of: deposit accounts, investment property, letter of credit rights and electronic chattel paper; and (iii) until the indebtedness evidenced by the Notes is paid in full, the Beneficiary will not change the state where it is located or change its name or form of organization without giving the Lender at least thirty (30) days prior written notice in each instance.

2. Restrictions on Transfer. The Beneficiary, without the prior written consent of the Lender, shall not effect, suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any all or any portion of the beneficial interest or power of direction in or to the Trust Agreement;

3. Other Mortgage Provisions. The Beneficiary hereby covenants and agrees to be bound by, and to be deemed to have entered into and made, all of Mortgagor's certifications, representations, warranties, covenants, agreements and obligations under the Mortgage (which shall constitute representations, warranties, covenants, agreements and obligations of the Beneficiary, notwithstanding the Trustee's excipitation provisions of Section 4.16), including, without limitation, the waiver of the right of redemption pursuant to Section 3.8 hereof, with the same force and effect as if they were fully set forth herein verbatim.

IN WITNESS WHEREOF, Beneficiary has caused this Lender to Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement to be executed as of the day and year first above written.



CRISTINA CAPALNAS, personally

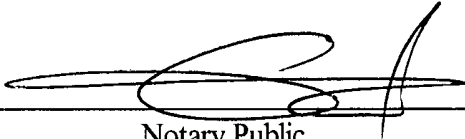
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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Emma Magopet, a Notary Public in and for the state and county aforesaid, do hereby certify that before me this day personally appeared Cristina Capalnas, executed the foregoing Joinder to Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement, and acknowledged to me that she executed and delivered the foregoing Joinder to Mortgage, Assignment of Leases and Rents, Security Agreement and UCC Fixture Financing Statement as her free and voluntary act, for the uses set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 20th day of April, 2005.



Notary Public

My Commission Expires:

01/16/08



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: THE WEST 17.05 FEET OF THE NORTH 76.08 FEET OF LOT 3 IN BLOCK 1 IN JAMES PEASE'S FIRST IRVING PARK BOULEVARD ADDITION, A SUBDIVISION OF THE NORTH 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 4, 1910 IN BOOK 108 OF PLATS, PAGE 23, AS DOCUMENT NO. 4554436, IN COOK COUNTY, ILLINOIS.

PARCEL 2: EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR INGRESS AND EGRESS AS CONTAINED IN THE DECLARATION RECORDED JULY 31, 1953 AS DOCUMENT LR1475482 IN COOK COUNTY, ILLINOIS.

PIN #13-23-207-037

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EXHIBIT B

PERSONAL PROPERTY

1. All personal property of every nature whatsoever now or hereafter owned by Mortgagor and on, or used in connection with the real estate legally described on Exhibit A to this Mortgage (the "Real Estate") or the improvements thereon, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements thereof and all of the right, title and interest of Mortgagor in and to any such personal property together with the benefit of any deposits or payments now or hereafter made on such personal property by Mortgagor or on its behalf;

2. Any and all rents, revenues, issues, profits, proceeds, income, royalties, accounts including health-care insurance receivables, escrows, reserves, impounds, security deposits and other rights to monies now owned or hereafter acquired and arising from or out of the Real Estate and/or the businesses and operations conducted by Mortgagor thereon;

3. All fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part of or used in connection with the Real Estate or the improvements thereon, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, exercise equipment, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor;

4. All proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Real Estate or improvements thereon or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Real Estate or improvements thereon or proceeds of any sale, option or contract to sell the Real Estate or improvements thereon or any portion thereof;

5. Any and all other personal property of any kind, nature or description, whether tangible or intangible, (including without limitation, any and all goods, contract rights, franchises, licenses, permits, chattel paper (including electronic chattel paper), money, equipment, deposit accounts, account receivables, documents, investment property, instruments, letter-of-credit rights, supporting obligations, and general intangibles including payment intangibles) of Mortgagor relating to or used in connection with the operation or maintenance of the Real Estate, whether now owned or hereafter acquired, or in which Mortgagor now has or shall hereafter acquire any right, title or interest whatsoever (whether by bill of sale, lease, conditional sales contract, or other title retention document or otherwise);

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6. Any and all additions and accessories to all of the foregoing and any and all proceeds (including proceeds of insurance, eminent domain or other governmental takings and tort claims), renewals, replacements and substitutions of all of the foregoing; and

7. All of the books and records pertaining to the foregoing.

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EXHIBIT C

PERMITTED EXCEPTIONS

Exceptions 1-8, inclusive, in Schedule B-I and Exceptions 1-3, inclusive, in Schedule B-II of Professional National Title Network, Inc. pro-forma policy No. MP0106525.

Property of Cook County Clerk's Office