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Doc#: 0620904115 Fee: \$66.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/28/2006 10:13 AM Pg: 1 of 22

MORTGAGE *K522757*

THIS MORTGAGE, SECURITY AGREEMENT and ASSIGNMENT OF RENTS AND LEASES (the "Mortgage") is made and entered into this 20 day of July, 2006, by and between Benjamin Munoz

a married man (hereinafter collectively referred to as "Mortgagor") and Ronald Nisson ("Mortgagee").

not homestead property

RECITALS:

Mortgagor is the legal owner and holder of fee simple title in and to all of the real estate legally described on Exhibit "A" which is attached hereto and incorporated herein by this reference (the "Land"), as well as all of the buildings, structures and improvements, and all additions to, improvements or replacements of, or in the same, existing, to be erected or constructed thereon (collectively referred to as the "Improvements"). The Land and the Improvements are, collectively, the "Premises". Mortgagee is entering into a transaction pursuant to which it will lend Mortgagor the sum of Eighty-Five Thousand Dollars (\$85,000.00), which loan is evidenced by a certain Secured Promissory Note of even date herewith ("Note"). In consideration of the Mortgagee entering into the transaction described in the Note, and as collateral for Mortgagor's obligations thereunder, this Mortgage is being granted. Mortgagor has promised to pay all amounts due in connection with the Note together with interest payable upon the principal sum due thereunder at the rate and on the dates as are made and provided therein; all of the principal and interest being payable at such place as Mortgagee may, from time to time, in writing appoint, and in absence of such appointment, then at c/o C&R Scrap 4619 S. Knox, Chicago, Illinois 60632.

This instrument was prepared by and after registration/recording should be returned to:

Michael J. Newman, Esq.
Michael J. Newman & Associates, Ltd.
5200 Golf Road
Skokie, Illinois 60077

MAIL TO

STEWART TITLE OF ILLINOIS
2 N. LaSalle Street
Suite 625
Chicago, IL 60602
312-849-4243

STEWART TITLE OF ILLINOIS
2 N. LaSalle Street
Suite 625
Chicago, IL 60602
312-849-4243

22757

476355

22/06

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NOW, THEREFORE to secure: (1) the payment of all amounts due in connection with the Note; (2) the payment of any and all other indebtedness and liabilities, now or at any time hereafter owing or to become due from Mortgagor to Mortgagee, whether under this Mortgage or otherwise, however evidenced, created or incurred, whether direct, indirect, primary, secondary, fixed or contingent, together with interest thereon, and any and all renewals and extensions of the foregoing (the "Future Advances"), all of which are expressly secured by this Mortgage; and provided further that in the event the holder(s) of the Note shall take additional notes as evidence of the Future Advances or accept additional collateral of any nature whatsoever as security for the payment of the Future Advances, the same shall in no wise limit, affect, or qualify this Mortgage and the lien thereof with respect to the Future Advances and/or payments thereunder; and (3) the performance and observance of all terms, conditions and provisions of this Mortgage, the Note, and any other agreement or instrument concurrently or hereafter executed by Mortgagor and delivered to Mortgagee (all of the above being collectively referred to as "Mortgagor's Obligations"). It is expressly agreed that all Future Advances, if any, whenever hereafter made, are and shall be a lien on the Premises dating from the date this Mortgage is recorded.

Grant of Mortgage

Mortgagor does hereby GRANT, REMISE, RELEASE, ASSIGN, ALIEN, MORTGAGE, CONVEY, DEED and GRANT to Mortgagee, its successors and assigns, all of its estate, rights, title and interest in the Premises more particularly described in Exhibit A hereto and together with the following:

A. All improvements, tenements, easements, fixtures and appurtenances relating to the Premises, and all rents, issues and profits from the Premises for so long and during all such times as Mortgagor may be entitled to them (which are pledged primarily and on a parity with the Premises and not secondarily), and all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, attached floor coverings, now or hereafter therein or thereon and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing) all fixtures, apparatus, equipment and articles, it being understood that the enumeration of any specific articles of property not specifically mentioned (all of these items are included in the term "Improvements"). To the fullest extent permitted by law, all of the Premises and property hereinabove described, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the Premises and to be appropriated to the use of the Premises, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged by this Mortgage;

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B. All fixtures and personal property of whatever kind and nature now in or hereafter placed in any building standing on the Premises including replacements of the foregoing, except personal property owned by tenants of the Premises, if any ("Personalty");

C. All real estate tax and insurance escrow, insurance proceeds and condemnation awards, and all rights, titles and interests in and any leases and use agreements, and all books and records relative thereto in connection with the Premises, and all rents, income, profits and revenues arising therefrom, and all judgments, awards of damages and settlements made as a result of any taking of all or any part of the premises under the power of eminent domain (the "Miscellaneous Interests");

D. All accounts, accounts receivable, contract rights and chattel paper of Mortgagor (the "Accounts"); and

E. All proceeds of the conversion of any of the above items into cash or liquidated claims ("Proceeds").

The Premises, Improvements, Personalty, Miscellaneous Interests, Accounts and Proceeds described above are referred to herein as the "Collateral" and are intended to be a part of the real estate and shall be deemed for purposes of this Mortgage to be real estate.

TO HAVE AND TO HOLD the above granted Collateral, with all the privileges and appurtenances to the same belonging to Mortgagee, its successors and assigns, forever the uses set forth, free from all rights and benefits under any homestead exemption, rights of redemption from sale, rights to retain possession and appraisal, valuation, stay, extension or moratorium laws of any state, all of said rights and benefits Mortgagee does hereby expressly release and waive.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Covenants, Warranties and Representations

1. Mortgagor covenants with and represents to Mortgagee as follows:

(a) Mortgagor promptly shall pay, or cause to be paid, when due, Mortgagor's liabilities under the Note and this Mortgage and promptly, fully and faithfully will perform, discharge, observe and comply with each and every of Mortgagor's Obligations;

(b) Mortgagor now has and hereafter shall maintain the standing, right, power and lawful authority to own the Premises, to enter into, execute and deliver this Mortgage, the Note, documents related to Future Advances and all other agreements to Mortgagee, to encumber the Premises to Mortgagee and to perform all of Mortgagor's Obligations and to consummate all of the transactions described in or contemplated by this Mortgage and the Note;

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(c) The execution, delivery and performance by Mortgagor of and under this Mortgage, the Note, and all other agreements does not and will not constitute a violation of any applicable law and does not and will not constitute a conflict with or result in a default or breach of or under or cause an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage, deed, trust deed, note, judgment, order, award, decree or other restriction to which Mortgagor or any of the Premises is or hereafter shall become a party or by which Mortgagor or any of the Premises is or shall become bound, or any law or regulatory provision now or hereafter affecting Mortgagor or any of the Premises;

(d) The various data and information relating to the Premises delivered and to be delivered by or for Mortgagor to Mortgagee are, and shall be, correct, complete and accurate in all respects;

(e) Mortgagor has duly filed and shall continue timely to file all federal, state and other governmental tax and similar returns which are required by law to be filed with respect to Mortgagor. All taxes and other sums which are shown to be payable under such returns have been and shall be timely and fully paid and Mortgagor shall maintain adequate reserves in amounts to fully pay all such liabilities which hereafter may accrue;

(f) There is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially or adversely affect the Premises, Mortgagor, the collectability of the Note, the lien of this Mortgage, the ability of Mortgagor to pay the Note or impair the financial condition of the Premises;

(g) Mortgagor will save and hold Mortgagee harmless of and from any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with any suit or proceeding, threatened, filed and/or pending, in or to which Mortgagee is or may become or may have to become a party by reason of or arising from or on account of or in connection with Mortgagor's Obligations, this Mortgage, the Note or any other agreements;

(h) Mortgagor is lawfully seized, possessed and the owner of and has good and indefeasible, marketable fee simple title to the mortgaged Premises and the Personalty, free and clear of all liabilities, claims, debts, exceptions, security interests, assessments, charges, impositions, levies, taxes, liens, and all other types of encumbrances except: (i) the lien of this Mortgage; and (ii) such liens and encumbrances as are expressly approved in writing by Mortgagee and set forth on Exhibit B attached hereto and incorporated herein by this reference (the "Permitted Exceptions");

(i) Mortgagor agrees to warrant and defend the Premises against all encumbrances (other than those created by this Mortgage) and any and all persons lawfully claiming, or who may claim the same or any part of the Premises;

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(j) Mortgagor covenants and agrees to pay or cause to be paid all rents, additional rents, taxes, assessments, water rates, sewer rents and other charges on or prior to the date and as often as the same shall become due and payable, and Mortgagor shall furnish Mortgagee, at Mortgagee's request, with duplicate receipts or photostatic copies showing the payment of same on or prior to the due dates of such payments;

(k) Mortgagor will, at all times, promptly and faithfully keep and perform, or cause to be kept and performed, all the covenants and conditions to be kept by Mortgagor and performed and in all respects conform to and comply with any and all terms and conditions and Mortgagor further covenants that it will not do or permit anything to be done, the commission of which, or refrain from doing anything, the omission of which, will impair or tend to impair the security of this Mortgage;

(l) The indebtedness secured by this Mortgage shall immediately become due and payable at the option of Mortgagee if Mortgagor fails to furnish to Mortgagee within a reasonable period of time after Mortgagee's request any and all information which it may reasonably request concerning the performance by Mortgagor of any of its covenants, or if Mortgagor fails to permit Mortgagee or its representative at all reasonable times to make investigation or examination concerning such performance; and

(m) In the event of any failure by Mortgagor to perform any covenant to be observed and performed by it, the performance by Mortgagee on behalf of Mortgagor of the covenant shall not remove or waive, as between Mortgagor and Mortgagee, the corresponding default under the terms of this Mortgage and any amount so advanced or any costs incurred, shall be repayable by Mortgagor, together with interest at the default interest rate set forth in the Note, without demand, and shall be secured by this Mortgage and any such failure shall be subject to all of the rights and remedies of Mortgagee available on account of any default.

Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc.

2. Mortgagor shall:

(a) promptly repair, restore or rebuild any of the Improvements which may become damaged or be destroyed;

(b) keep the Premises in as good condition and repair as exists as of the date hereof, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof, including, but not limited to, as expressly provided in paragraph 8 hereof;

(c) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien of this Mortgage, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee;

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(d) complete within a reasonable time any building or buildings at any time in the process of erection upon the Premises;

(e) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Premises and the use thereof;

(f) suffer or permit no change in the general nature of the occupancy of the Premises as intended, without Mortgagee's written consent, which consent may be withheld for any reason whatsoever or for no reason;

(g) initiate or acquiesce in no zoning reclassification, annexation, subdivision, dedication, or vacation relating to all or any part of the Premises, without Mortgagee's written consent, which consent may be withheld for any reason whatsoever or for no reason; and

(h) pay each item of indebtedness secured by this Mortgage when due according to the terms of this Mortgage, the Note, and/or any other agreements with or related to Mortgagee.

Payment of Taxes

3. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments provided: (a) that such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of said Premises or any part thereof or any interest therein, to satisfy the same; (b) that Mortgagor has, before such taxes or assessment shall have been increased by any interest, penalties or costs, notified Mortgagee in writing of the intention of Mortgagor to contest the same, and (c) that Mortgagor shall have deposited with Mortgagee a sum of money which (when added to funds, if any, then on deposit for such taxes) shall be sufficient in the sole judgment of Mortgagee to pay in full such contested taxes and assessments and all penalties and interest that might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional penalties and interest whenever, in the Judgment of Mortgagee, such increase is advisable. In case Mortgagor shall fail to prosecute such objections with reasonable diligence or shall fail to maintain sufficient funds on deposit as provided, Mortgagee may at its option apply the money so deposited in payment of or on account of such taxes and assessments, or that part then unpaid, together with all penalties and interest thereon. If the amount of the money so deposited shall be insufficient for the payment in full of such taxes and assessments, together with all penalties and interest, Mortgagor shall upon demand either: (i) deposit with Mortgagee a sum which when added to the funds then on deposit shall be sufficient to make such payment in full, or (ii) in case Mortgagee shall have applied funds on deposit on account of such taxes and assessments, restore the deposit to an amount sufficient in Mortgagee's sole judgment. Mortgagee

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shall, upon the final disposition of such contest, apply the money so deposited in full payment of such taxes and assessments or that part then unpaid, together with all penalties and interest (provided Mortgagor is not then in Default as defined herein) when so requested in writing by Mortgagor and furnished with sufficient funds to make such payment in full with an official bill for such taxes.

Taxes and Insurance Escrows

4. Upon request, Mortgagor shall deposit with Mortgagee on the first day of each month amounts sufficient in the opinion of Mortgagee to create and maintain an adequate reserve fund from which to pay all taxes, assessments and other charges involving the mortgaged Premises and all insurance premiums for the insurance policies specified in paragraph 6 hereof as they become due. Upon the occurrence of a Default in Mortgagor's Obligations, Mortgagee may, but shall not be obligated, to make such payments.

Such amounts shall be held by Mortgagee without liability for the payment of interest thereon and may be commingled with other assets of Mortgagee. If the Mortgagee retains such reserve funds, then Mortgagor shall deliver to Mortgagee all bills for such taxes, assessments or other charges and insurance premium notices received by Mortgagor and Mortgagee, upon receipt of the bills, shall pay from such fund all taxes, assessments and other charges and insurance premiums as they become due. Mortgagee shall not be required to determine the accuracy of any bill or the validity of any such taxes, assessments, other charges and insurance premiums. Nothing contained in this Mortgage shall prevent Mortgagor, so long as there has been no Default under Mortgagor's Obligations from contesting the amount of any such taxes, assessments and other charges, provided Mortgagor deposits with Mortgagee an amount which, in the sole discretion of Mortgagee, is sufficient to pay the entire amount of such contested taxes, assessments and other charges plus any and all penalties or interest added thereto, pursuant to Paragraph 3 hereof.

Mortgagee's Interest in and Use of Deposits

5. In the event of a Default under any of Mortgagor's Obligations, Mortgagee may at its option, without being required to do so, apply any monies at the time on deposit with Mortgagee as any one or more of the same may be applicable, on any of Mortgagor's Obligations, in such order and manner as Mortgagee may elect, and, to the extent such funds are insufficient, Mortgagee may at its sole discretion advance funds to pay any of Mortgagor's Obligations, including tax and insurance payments, and the amounts so advanced shall be due and payable immediately upon notice and shall bear interest at the rate provided in the Note at the rate applicable after maturity or default. When the indebtedness secured by this Mortgage has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Premises. Such deposits are hereby pledged as additional security for the performance of Mortgagor's Obligations and shall not be subject to the direction or control of the Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of taxes and assessments any amount so deposited unless Mortgagor, while not in Default, shall have requested said depository in writing to make

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application of such funds to the payment of the particular taxes or assessments for payment of which they were deposited, accompanied by the bills for such taxes and assessments, in ample time before the scheduled due date for payment.

Insurance

6. Mortgagor shall keep all of the Improvements, including buildings or improvements hereafter situated on the Premises, insured against loss or damage by fire, tornado, windstorm and extended coverage perils and such other hazards as may reasonably be required by Mortgagee, but in no event shall the amount of such coverage be less than any and all prior liens or charges on the Premises superior to the lien of this Mortgage, if any, and the outstanding indebtedness due under the Note or Future Advances, including without limitation on the generality of the foregoing, war damage insurance whenever in the opinion of Mortgagee such protection is necessary and is available from an agency of the United States of America. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may require. All policies of insurance to be furnished under this Mortgage (the "Policies") shall be in forms, with companies and amounts satisfactory to Mortgagee, with standard mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, containing a standard waiver of subrogation clause, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without ten (10) days prior written notice to Mortgagee. Mortgagor shall deliver all policies including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than ten (10) days prior to their respective dates of expiration.

Adjustment of Losses with Insurer and Application of Proceeds of Insurance

7. In case of loss, Mortgagor (or after entry of decree of foreclosure, purchaser at the same, or the decree creditor, as the case may be) is hereby authorized either: (a) to settle and adjust any claim under such insurance policies; or (b) to allow Mortgagee to agree with the insurance company or companies on the amount to be paid upon the loss. In either case, Mortgagee is authorized to collect and receipt for any such insurance money. In the event Mortgagor does not elect and commence action under this paragraph 7 hereof within one-half (1/2) of the time provided for in the applicable insurance policies, then the election shall be and become Mortgagee's election. If: (i) Mortgagor is obligated to restore or replace the damaged or destroyed portion of the Improvements under the terms of any lease or leases which are or may be prior to the lien of the Mortgage; (ii) such damage or destruction does not result in cancellation or termination of such lease; and (iii) the insurers do not deny liability as to the insureds, such proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall be used to reimburse Mortgagor for the cost of rebuilding or restoration of the Improvements on the Land.

In all other cases, such insurance proceeds may, at the option of the Mortgagee, either be applied in reduction of the indebtedness secured hereby, whether due or not, or be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of the Improvements on

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the Land. The Improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. In the event Mortgagor is entitled to reimbursement out of insurance proceeds, such proceeds shall be made available, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, contractor's sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve, and if the estimated cost of the work exceeds Twenty five thousand dollars (\$25,000.00), with all plans and specifications for such rebuilding or restoration as Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed, from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

In case of loss after foreclosure proceedings have been instituted, the proceeds of any such policies, if not applied in rebuilding or restoring the Improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same or as the court may direct. In case of the foreclosure of this Mortgage, the court in its decree may provide that the mortgagee's clause attached to each of the insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of the Policies making the loss payable to said decree creditor; and any such foreclosure under said decree, pursuant to the statute in such case made and provided, then and in every such case, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer.

In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Restriction on Transfers and Encumbrances

8. Mortgagor shall keep the mortgaged Premises free and clear of all liens, claims and encumbrances except for Permitted Exceptions, and Mortgagor shall promptly pay or cause to be paid, as and when due and payable or when declared due and payable, any indebtedness which may become or be secured by such an encumbrance and, immediately upon request by Mortgagee, shall deliver to Mortgagee evidence satisfactory to Mortgagee of the payment and discharge thereof. To prevent default, Mortgagor may indemnify Mortgagee, by a means determined solely by and reasonably acceptable to Mortgagee, against loss by reason of such an encumbrance which Mortgagee may desire to contest. If, in accordance with the terms of this Mortgage, Mortgagee makes payment of any such encumbrance, Mortgagee shall be subrogated to the rights of such claimant, notwithstanding that the encumbrance may be released of record.

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Notwithstanding the foregoing, Mortgagor may sell or otherwise transfer or assign ("Dispose" or "Disposition") all or any portion of the Premises or Mortgagor's interest therein, upon prior written notice to Mortgagee with copies of all documentation with respect thereto furnished by Mortgagor to Mortgagee and Mortgagee's prior written consent, which consent may be withheld for any reason whatsoever or for no reason, and subject to the terms and provisions hereinafter set forth; provided, however, that until any and all indebtedness due or to become due under or secured by this Mortgage or the Note (including, without limitation, any possible liability under or in connection with the Note) shall be paid to Mortgagee and satisfied in full by Mortgagor and/or Mortgagor's Purchaser or a deposit with Mortgagee of an amount of money reasonably satisfactory to Mortgagee to serve as substitute collateral on the Note in place of the Premises, then Mortgagee shall not be required and/or obligated to release and/or subordinate this Mortgage as to such Disposed portion of the Premises and/or Mortgagor's interest therein; provided, further, however, that until any and all indebtedness owed Mortgagee pursuant to the Note, this Mortgage and all other agreements shall be paid and satisfied in full, Mortgagor and any guarantor of Mortgagor's Obligations as provided in this Mortgage and/or any other document or agreement, if any, shall remain personally and primarily liable under the Note and hereunder and the Note, this Mortgage and all other agreements shall remain in full force and effect without Mortgagee being required to release and/or subordinate this Mortgage.

Effect of Extensions of Time

9. If the payment of the indebtedness evidenced by the Note, any other indebtedness secured hereby or any part thereof, be extended or varied or if any part of the Collateral be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

Default

10. The occurrence of any one or more of the following events shall constitute an "Event of Default" or a "Default" under this Mortgage:

(a) Failure of Mortgagor to fully and faithfully satisfy, perform, discharge, observe and comply with each and every of Mortgagor's Obligations and/or covenants herein unless such performance by its nature requires more than ten (10) days to complete, in which case, Mortgagor shall have begun such performance within said ten (10) days and constantly is pursuing such performance with due diligence;

(b) A petition in bankruptcy is filed by or against Mortgagor, or any guarantor, Mortgagor, or a custodian, receiver or trustee for any of the mortgaged Premises or any of its or their property is appointed and, if appointed without its or their consent, is not discharged within thirty (30) days, or if it makes or they make any assignment for the benefit of creditors, or if it is or

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they are adjudged insolvent by any state or federal court of competent jurisdiction, or an attachment or execution is levied against any of the Collateral and is not discharged within thirty (30) days; and

(c) Mortgagee considers itself to be insecure with regards to Mortgagor's ability to pay Mortgagor's Obligations.

Remedies Upon Default

11. Upon the occurrence of an Event of Default, Mortgagee, after notice and demand insofar as required under this Mortgage, in its sole discretion and at its sole election, without notice of such election, and without further demand, may do any one or more of the following:

(a) Declare all of the Mortgagor's Obligations immediately due and payable and collect the same at once by foreclosure or otherwise, without notice of broken covenant or condition (and in case of such default and the exercise of such option, Mortgagor's Obligations shall bear interest, from the date of such default, at the highest rate provided in the Note);

(b) Either with or without process of law, enter upon and take immediate possession of the Premises, expel and remove any persons, goods or chattels occupying or upon the same, receive all rents, and issue receipts therefor, manage, control and operate the Premises as fully as Mortgagor might do if in possession thereof, including without limitation, the making of all repairs and replacements deemed necessary by Mortgagee and the leasing of the same, or any part thereof, from time to time, and, after deducting all reasonable attorneys' fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the Premises, apply the remaining net income, if any, to Mortgagor's Obligations or upon any deficiency decree entered in any foreclosure proceeding. At the option of Mortgagee, such entry and taking possession shall be accomplished either by actual entry and possession or by written notice served personally upon or sent by registered mail to Mortgagor at the address of Mortgagor last appearing on the records of Mortgagee. Mortgagor agrees to surrender possession of the Premises to Mortgagee immediately upon the occurrence of an Event of Default. If Mortgagor shall remain in physical possession of the Premises, or any part thereof, after any such default, such possession shall be as a tenant of Mortgagee, and Mortgagor agrees to pay to Mortgagee or to any receiver appointed as provided below, after such default, a reasonable monthly rental for the Premises, or the part thereof so occupied by Mortgagor, and to be paid in advance on the first day of each calendar month, and, in default of so doing, Mortgagor may be dispossessed by the usual summary proceedings. In the event Mortgagor shall so remain in possession of all, or any part of, the mortgaged Premises, the reasonable monthly rental shall be in amounts established by Mortgagee in its reasonable discretion. This covenant shall be effective irrespective of whether any foreclosure proceedings shall have been instituted and irrespective of any application for, or appointment of, a receiver;

(c) File one or more suits at law or in equity for the foreclosure of this Mortgage or to collect the indebtedness secured by this Mortgage and to pursue all remedies afforded to Mortgagee under the law. In the event of the commencement of any such suit by Mortgagee,

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Mortgagee shall have the right, either before or after sale, without notice and without requiring bond (notice and bond being hereby waived), without regard to the solvency or insolvency of Mortgagor at the time of application and without regard to the then value of the Premises or whether the same is then occupied, to make application for and obtain the appointment of a receiver for the Premises. Such receiver shall have the power to collect the rents during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect the rents, and shall have all other powers which may be necessary or usual in such cases for the protection, possession, control, management and operation of the Premises. The Court before which suit is pending may from time to time authorize the receiver to apply the net income in his hands in payment, in whole or in part, of Mortgagor's Obligations. In case of a sale pursuant to foreclosure, the Premises may be sold as one parcel or, if appropriate, may be divided and sold as separate parcels; and

(d) Exercise any other remedies or rights permitted or provided under or by the laws or decisions of the State of Illinois including all rights of a secured party under the Uniform Commercial Code of the State of Illinois, accruing to a Mortgagee and/or secured party upon a default by a Mortgagor and/or debtor.

Foreclosure; Expense of Litigation

12. When any indebtedness secured by this Mortgage shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien for such indebtedness. In any suit to foreclose the lien or enforce any other remedy of the Mortgagee under this Mortgage, the Note or any other agreement, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, costs (which may be estimated as to items to be expended after entry of the decree), of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens Certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree and all prepayment premiums or similar charges, if any, provided in the Note. All expenditures and expenses and prepayment premiums of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, any other agreements, the Note or the Premises, the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest at the default rate of the Note or any other note related to Future Advances, as applicable, and shall be secured by this Mortgage.

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Application of Proceeds of Foreclosure Sale

13. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note or any note related to Future Advances, with interest as provided in the Note; third, all principal and interest remaining unpaid on the Note or any Note related to Future Advances; fourth, any excess to Mortgagor, its successors or assigns, as their rights may appear.

Appointment of Receiver

14. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which the complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not and Mortgagee or any holder of the Note or any note related to Future Advances may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, should be entitled to collect such rents, issues and profits, and all for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) Mortgagor's Obligations or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien of this Mortgage or of such decree, provided such application is made prior to foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

Assignment of Rents and Leases

15. To further secure Mortgagor's Obligations, Mortgagor sells, assigns and transfers to Mortgagee all the rents, issues and profits now due and which may become due under or by virtue of any lease, whether written or verbal, or any letter of, or of any agreement for the use or occupancy of the Premises or any part of the Premises, which may exist or which may be entered after this date or agreed to or which may be made or agreed to by Mortgagee under the powers granted in this Mortgage, it being the intention to establish an absolute transfer and assignment of all of such leases and agreements, and all the proceeds of such leases and agreements, to Mortgagee, and Mortgagor appoints irrevocably Mortgagee its true and lawful attorney in its name and place (with or without taking possession of the Premises as provided in paragraph 11 (b)) to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms as Mortgagee shall, in its discretion, determine, and to collect all of the proceeds rents, issues and profits arising from or accruing at any time after this date, and all now due or that may

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become due under each and every of the leases and agreements, written or verbal, or other tenancy existing, or which may exist on the Premises, with the same rights and powers and subject to the same immunities, exonerations of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of paragraph 11. Mortgagee shall have the right to open mail directed to Mortgagor and endorse Mortgagor's name.

Mortgagor represents and agrees that no rent has been or shall be paid by any parties in possession of any portion of the Premises for more than one (1) installment in advance, unless prior written permission is obtained from Mortgagee, and that the payment of none of the rents to accrue for any portion of the Premises has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by Mortgagor. Mortgagor agrees that it has not and will not assign any of the rents or profits of the Premises.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the taking of actual possession of the Premises by Mortgagee pursuant to paragraph 11(b). In the exercise of the powers herein granted to Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the Premises hereinbefore described and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the Premises as Mortgagee shall from time to time require.

Although it is the intention of the parties that the assignment contained in this paragraph 16 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this paragraph until an Event of Default shall exist hereunder.

Mortgagor shall execute or cause to be executed any and all documents which Mortgagee, in its sole discretion, requires in order to evidence its security position in the rents and leases assigned and to be assigned hereunder, including, without limitation, tenants' estoppel letters.

Application of Income Received by Mortgagee

16. Mortgagee, in the exercise of the rights and powers conferred upon it by paragraph 11(b), shall have the full power to use and apply the proceeds, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the Premises, including cost of management and leasing (which shall include reasonable compensation to Mortgagee and its agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

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(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, and of placing such property in such condition as will, in the judgment of Mortgagee, make it readily rentable; and

(d) to the payment of any of Mortgagor's Obligations or any deficiency which may result from any foreclosure sale.

Mortgagee's Right of Inspection

17. Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

Condemnation

18. Mortgagor assigns and transfers to Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. If the holders of any other mortgage liens then of record agree to use such proceeds to repair or restore the Premises, then Mortgagee shall agree to apply the proceeds for restoration and repair purposes. Otherwise, Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby whether due or not, or to require Mortgagor to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on the Premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. If Mortgagor is obligated to restore or replace the damage or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage and if such taking does not result in cancellation or termination of such lease, the award shall be used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on the Premises, provided Mortgagor is not then in default under this Mortgage. In the event Mortgagor is required or authorized under this paragraph to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in paragraph 7 for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus that may remain out of the award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of Mortgagor's Obligations or be paid to any other party entitled thereto. In the event that the proceeds of any such award are paid Mortgagee but are not sufficient to pay in full the indebtedness secured hereby, such payment shall be deemed to be a partial prepayment of principal on the Notes.

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Notwithstanding the foregoing, in the event of a partial condemnation of the Premises, if the Premises may still be used for the purpose used for prior to the condemnation, and if Mortgagor is not in Default, Mortgagor may elect to rebuild the Premises at Mortgagor's expense.

Release upon payment and Discharge of Mortgagor's Obligations

19. If Mortgagor shall fully pay all principal and interest on the Note, any Future Advances and all other Mortgagor's Obligations and comply with all of the other terms and provisions to be performed and complied with by Mortgagor, then this Mortgage shall be null and void. Mortgagee shall release this Mortgage by proper instrument upon payment and discharge of all Mortgagor's Obligations.

Effect of Changes in Laws Regarding Taxation

20. In the event of the enactment after this date of any law imposing a tax upon the issuance of the Note or any note related to Future Advances or deducting from the value of land for the purpose of taxation of any lien, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee: (a) it might be unlawful to require Mortgagor to make such payment; or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the unsecured indebtedness to be and become due and payable one hundred twenty (120) days from the giving of such notice with interest.

Giving of Notice

21. Any notice which either party may desire or be required to give to the other party shall be in writing and shall be delivered personally or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows, and if mailed, shall be deemed to be given two (2) days after the date mailed:

To the Mortgagor: Benjamin Munoz
4514 W. Parker
Chicago, Illinois 60639

To the Mortgagee: C/O Michael J. Newman & Associates, Ltd.
5200 Golf Road
Skokie, Illinois 60077

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or at such other place as either party may by notice in writing designate as a place for service of notice.

Waiver of Defense

22. No action for the enforcement of the lien or of any provision of this Mortgage shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

Waiver of Statutory Rights

23. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or enacted after this date, in order to prevent or hinder the enforcement of foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the mortgaged property marshaled upon any foreclosure of the lien of this Mortgage and agrees that any court having jurisdiction to foreclose such lien may order the mortgaged property sold as an entirety. Mortgagor acknowledges that the Premises are not currently agricultural or residential real estate and Mortgagor does hereby expressly waive any and all rights of redemption from sale under order or decree of foreclosure of this Mortgage on behalf of Mortgagor, the trust estate and all persons or entities beneficially interested in Mortgagor, and each and every person except decree or judgment creditors of Mortgagor in its representative capacity and of the trust estate, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, as well as any right of reinstatement to the extent allowed by law.

Default

24. Unless otherwise specified, subsequent to a default hereunder interest on all past due amounts shall accrue at a rate equal to the Default Interest Rate described in the Note.

Further, in the event any payment due and owing to Mortgagee is not paid on or before the fifth day of any month, an additional late charge of five percent (5%) of the payment due shall be immediately due and payable.

All such amounts shall be part of Mortgagor's Obligations, immediately due and payable by Mortgagor to Mortgagee without notice by Mortgagee to, or demand by Mortgagee of, Mortgagor.

Filing and Recording Fees

25. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage (including Lender's legal fees, costs and expenses) and all federal, state, county and municipal taxes, and other taxes, duties, imposts, assessments and

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charges arising out of or in connection with the execution and delivery of said Note and this Mortgage.

Binding on Successors and Assigns

26. This Mortgage shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include the named Mortgagor and any subsequent owner or owners of the equity of redemption of the Premises. The word "Mortgagee" shall include the successors and assigns of the named Mortgagee, and the holder or holders, from time to time of the Note and any note or other document related to Future Advances.

All Covenants to Run With Land

27. All the covenants contained in this Mortgage shall run with the land.

Captions

28. The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Benjamin Munoz
Benjamin Munoz

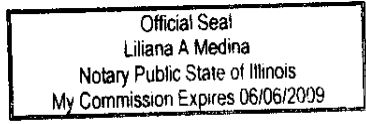
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, LILIANA A. MEDINA, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Benjamin Munoz, personally known to me and known by me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed the foregoing instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 20 day of JULY, 2006.

Liliana A. Medina
NOTARY PUBLIC

(Impress Notarial Seal Here)



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EXHIBIT A

Legal Descriptions

Parcel 1:

PARCEL 1: ALL OF LOT 29 AND THE WEST 1/2 OF LOT 30 IN BLOCK 2 IN BARTLETT'S ROSELAND SUBDIVISION OF LOT 42 AND THE NORTH 1/2 OF LOT 47 (EXCEPT THE WEST 67 FEET OF SAID LOTS) IN SCHOOL TRUSTEE'S SUBDIVISION OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRICIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THE EAST 1/2 OF LOT 30 AND THE WEST 1/2 OF LOT 31 IN BLOCK 2 IN BARTLETT'S ROSELAND SUBDIVISION OF LOT 42 AND THE NORTH 1/2 OF LOT 47 (EXCEPT THE WEST 67 FEET OF SAID LOTS) IN SCHOOL TRUSTEE'S SUBDIVISION OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS.

Common Address: 316-322 W. 108th Place, Chicago, Illinois

P.I.N.: 25-16407-028-0000 and 25-16407-029-0000

Parcel 2:

LOT 46 AND 47 IN BLOCK 6 IN THE SUBDIVISION OF BLOCKS 4 TO 9, BOTH INCLUSIVE, IN E. SIMON'S SUBDIVISION OF THE SOUTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 1926 N. Drake, Chicago, Illinois

P.I.N: 13-35-400-027-0000

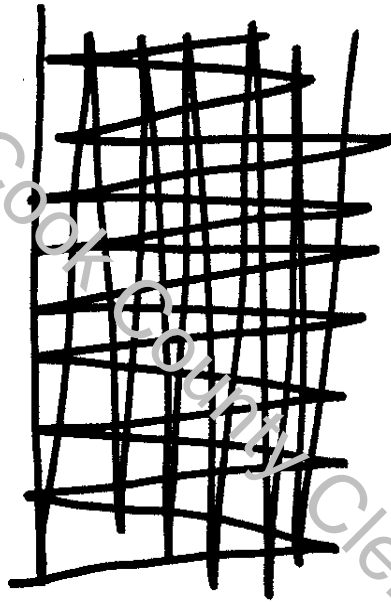
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EXHIBIT B

Permitted Exceptions

Parcel 1: None.

Parcel 2: None.



Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
)
 COUNTY OF COOK) SS

WAIVER OF DEFENSE AND ESTOPPEL CERTIFICATE

The undersigned, Benjamin Munoz and Allan Migdal (hereinafter collectively referred to as the "Borrower") hereby represents to Ronald Nisson (hereinafter referred to as "Lender"), as follows:

1. Borrower is fully familiar with the facts and circumstances surrounding the within referred to transaction.

2. Borrower is borrowing from Lender the sum of Eighty-Five Thousand and no/100 (\$85,000.00) Dollars as provided in the Secured Promissory Note dated July 20, 2006 (hereinafter referred to as the "Note") executed by Borrower in connection with the aforementioned loan (hereinafter referred to as the "Loan").


3. The undersigned have indicated their willingness to enter into this transaction by executing, or directing the execution of, as applicable, all necessary documentation relating to the Loan.


4. In addition to and to secure payment of the Note, Borrower has executed a certain Mortgage, Security Agreement and Assignment of Rents and Leases dated as of July 20, 2006, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, relating to certain property located therein, as described in Exhibit "A" attached hereto, in favor of Lender. Said Mortgage and the Note are, as of the date hereof, free from all defenses, both in law and in equity, and any person purchasing the Note or otherwise acquiring any interest therein may do so in reliance upon the matters herein recited.

5. This Certificate is made for the purpose of better enabling the legal holder or holders of the Note to sell, pledge or otherwise dispose of the same, freely at any time, and so as to insure the purchaser or purchasers, pledgee or pledgees thereof against any claim or defense hereto by the maker thereof, its successor and assigns.

6. All statements herein made are made on information and belief of the Borrower.

Dated this 20th day of July, 2006.


 Benjamin Munoz



 Allan Migdal

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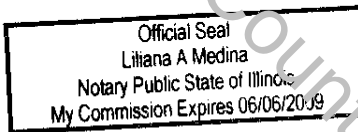
STATE OF ILLINOIS)
)
 COUNTY OF COOK) SS

I, LILIANA A. MEDINA, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Benjamin Munoz and Allan Migdal, personally known to me and known by me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed the foregoing instrument as their free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 20 day of JULY, 2006.


 Notary Public

(Impress Notarial Seal Here)



My Commission Expires: _____