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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1516646298 Fee: \$70.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/15/2015 02:13 PM Pg: 1 of 17

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 28-24-104-017-0000

Address:

Street: 3029 Sussex Avenue

Street line 2:

City: Markham

State: IL

ZIP Code: 60428

Lender: Gail Stamler c/o Eaton & Van Winkle LLP

Borrower: ARS Capital Investments & Management LLC, an Illinois Limited Liability Company

Loan / Mortgage Amount: \$40,500.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

USI

Certificate number: 402E8EF8-A2B8-4660-8CB2-252BE77AC6EF

Execution date: 6/5/2015

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Above Space for Recorder's use only

MORTGAGE (ILLINOIS)

THIS AGREEMENT, made June 5, 2015, between ARS CAPITAL INVESTMENTS & MANAGEMENT LLC, an Illinois Limited Liability Company, maintaining an address located at 20426 Attica Road, Olympia Fields, Illinois 60461, hereinafter referred to as "Mortgagor" and GAIL STAMLER, maintaining an address located at c/o Eaton & Van Winkle LLP, 3 Park Avenue, New York NY 10016, herein referred to as "Mortgagee", witnesseth:

THAT WHEREAS the Mortgagor is justly indebted to the Mortgagee upon that certain installment mortgage note ("Note") of even date herewith in the principal sum of FORTY THOUSAND FIVE HUNDRED (\$40,500.00) Dollars, payable to the order of and delivered to the Mortgagee, in which Note the Mortgagor promises to pay the said principal sum and interest at the rate and in installments as provided in said Note, with a final payment of the balance due on the 5th day of June, 2016, and all of said principal and interest are made payable at such place as the holder of the note may, from time to time, in writing appoint, and in absence of such appointment, then at the office of the Mortgagee at the above address.

NOW, THEREFORE, the Mortgagor to secure the payment of the said principal sum of money and said interest in accordance with the terms, provisions and limitations of this mortgage, and the performance of the covenants and agreements herein contained, by the Mortgagor to be performed, and also in consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, do by these presents CONVEY AND WARRANT unto the Mortgagee, and the Mortgagee's successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein, situated, lying and being in the County of Cook and State of Illinois, to wit:

SEE SCHEDULE "A" ATTACHED HERETO

which, with the property herein after described, is referred to herein as the "premises",

Permanent Real Estate Index Number(s): 28-24-104-017-0000

Address(es) of Real Estate: 3029 Sussex Avenue, Markham, IL

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, inador beds, awnings, stoves and water heaters. All of the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the premises by Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

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TO HAVE AND TO HOLD the premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever, for purposes, and upon the uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Law of the State of Illinois, which said rights and benefits the Mortgagor does hereby expressly release and waive.

The name of the record owner is: ARS CAPITAL INVESTMENTS & MANAGEMENT LLC

The covenants, conditions, and provisions appearing on the Rider attached hereto are incorporated herein by reference and are a part hereof and shall be binding on Mortgagor, its heirs, successors and assigns.

Witnesseth the hand and seal of Mortgagor the day and year first above written.

ARS CAPITAL INVESTMENTS & MANAGEMENT LLC

Anthony R. Scales
ANTHONY R. SCALES, Sole Member

State of Illinois, County of Cook ss:

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that ANTHONY R. SCALES personally known to me to be the same person whose name subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, seal and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal, this 5th day of June, 2015

Commission expires on 05, 19, 2015 Tara Miles
NOTARY PUBLIC

This instrument was prepared by: ROBERT S. GOLDENBERG, ESQ.

Mail this instrument to: Eaton & Van Winkle LLP c/o Robert S. Goldenberg, Esq., 3 Park Avenue, New York, NY 10016

OR RECORDER'S OFFICE BOX NO. _____



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RIDER TO ILLINOIS MORTGAGE

BY AND BETWEEN **ARS CAPITAL INVESTMENTS & MANAGEMENT LLC**, As Mortgagor and **GAIL STAMLER**, As Mortgagee

Covering Premises: **3029 Sussex Avenue, Markham, Illinois**

Dated: June 5, 2015

The printed part of this Mortgage is hereby modified and supplemented. To the extent that any of the terms, covenants and provisions of this Rider shall be inconsistent with the printed form provisions of this Mortgage, then this Rider shall control.

1. This Mortgage has been duly authorized by the Board of Operators of Mortgagor at a meeting held, and the Articles of Organization does not require any vote or consent of the members, but nevertheless all the members have consented thereto. Mortgagor validly exists and is in good standing under the laws of the State of Illinois.
2. Mortgagor agrees to bear all expenses (including reasonable attorneys' fees for legal services of every kind) of or incidental to the enforcement of any provisions hereof, or enforcement, compromise, or settlement of any of the collateral pledged hereunder, and for the curing thereof, or defending or asserting the rights and claims of Mortgagee in respect thereof, by litigation or otherwise, and will pay to Mortgagee any such expenses incurred and such expenses shall be deemed an indebtedness secured by this Mortgage and shall be collectible in like manner as the principal indebtedness secured by this Mortgage. All rights and remedies of Mortgagee shall be cumulative and may be exercised singly or concurrently. Notwithstanding anything herein contained to the contrary, Mortgagor hereby waives trial by jury.
3. In the event any payment herein provided for shall become overdue for a period in excess of five (5) days, a late charge of five-hundredths of one dollar (\$0.05) for each dollar so overdue shall become immediately due to Mortgagee as liquidated damages for failure to make prompt payment, and the same shall be secured by this Mortgage. Said late charges shall be computed from the due date (after applicable grace periods, if any) to the date of payment and shall be payable with the next installment of principal and/or interest. Payment and/or acceptance of any late charges shall not constitute a waiver of any default.
4. Mortgagor hereby appoints Mortgagee as its attorney-in-fact in connection with any of the personal property or fixtures covered by this Mortgage to execute and file on its behalf any financing statements, or other statements in connection therewith with the appropriate public office. This power, being coupled with an interest, shall be irrevocable so long as this Mortgage remains unsatisfied.

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5. In the event of a condemnation, or a taking in lieu thereof, by purchase or otherwise, of all or a material part of the premises by any governmental authority or agency having jurisdiction, then the entire unpaid indebtedness including any additional monies advanced hereunder shall, at the option of Mortgagee, immediately become due and payable. The condemnation, or a taking in lieu thereof, by purchase or otherwise, of the whole or any part of the premises, shall not reduce the interest provided to be paid on the indebtedness secured hereby, notwithstanding any statutory provisions to the contrary.

6. Whenever in this Mortgage or as a matter of law it is provided that Mortgagee's consent or approval shall not be unreasonably withheld or the actions of Mortgagee shall be reasonable, the remedy of Mortgagor, in the event Mortgagor shall claim or establish that Mortgagee has unreasonably withheld such consent or approval or has acted unreasonably, shall be limited to injunction, declaratory judgment or arbitration, and in no such event shall Mortgagee be liable for a money judgment.

7. It is hereby mutually agreed that the time of the repayment, accelerated or otherwise, of this Mortgage, when due, as hereinbefore stated, is of unique and specific importance and financial necessity to Mortgagee and is hereby made of the essence. Should all sums due or payable under the Mortgage, or under any written extension, postponement of the due date or renewal thereof, not be promptly paid in full on or before the due date, stated or accelerated as a result of default, Mortgagor shall pay and hereby agrees to pay to Mortgagee, interest at the rate of twenty four (24%) percent per annum on the unpaid balance computed from said date of maturity to the date of actual repayment. Said interest shall become due and payable at the same time that interest payments are due under this Mortgage and shall be secured by the collateral hereunder. It is hereby understood that this provision does not constitute a consent or agreement on the part of Mortgagee to extend or postpone the time of such payment beyond the present date of maturity.

8. In the event of any action to foreclose this Mortgage (or any action on the indebtedness secured hereby) interest on the amount due as computed by the referee and interest on the amount of any judgment in such foreclosure (or other action) shall accrue at the rate of twenty four (24%) percent per annum until the date of payment.

9. Upon any default of Mortgagor in complying with or performing any warranty or covenant herein, Mortgagee may, at Mortgagee's option, comply with or perform the same, and the cost thereof together with interest thereon at the maximum rate which Mortgagor is permitted by law to contract or agree to pay from the date of such default shall be paid by Mortgagor to Mortgagee on demand and shall be secured by this Mortgage.

10. At no time shall Mortgagor be obligated or required to pay interest on the principal balance of the Note secured by this Mortgage at a rate which could subject Mortgagee to either civil or criminal liability as a result of being in excess of the maximum rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Note which it secures Mortgagor is at any time required or obligated to pay interest at a rate in excess of such maximum rate, the rate of interest shall be deemed to be immediately reduced to such maximum rate and interest payable shall be computed at such maximum rate and the portion of all prior interest

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payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal.

11. Notwithstanding anything to the contrary herein contained, the grace period for the payment of any installment of interest is five (5) days.

12. The entire indebtedness together with accrued interest shall become immediately due and payable at the option of Mortgagee upon any voluntary or involuntary sale, transfer, assignment or conveyance, or encumbrance of the property or any interest therein, or upon any sale, transfer, or assignment of any beneficial interest in Mortgagor without the prior written consent of Mortgagee.

13. Mortgagee, in any action to foreclose this Mortgage or upon the actual or threatened waste to any part of the mortgaged premises, or upon the occurrence of any default hereunder, shall be at liberty, without notice, to apply for the appointment of a receiver and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the mortgaged premises as security for the indebtedness secured hereby, or the solvency or insolvency of any person then liable for the payment of the indebtedness.

14. Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions of the Mortgage to be performed by Mortgagor.

15. The validity and enforceability of this Mortgage and all transactions and questions arising hereunder, shall be construed and interpreted according to the laws of the State of Illinois and shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Mortgage.

16. Mortgagee, its agents, or representatives shall have the right at all reasonable times to enter and inspect the mortgaged premises.

17. Mortgagor covenants, represents and warrants, to the best of its knowledge and belief, that the mortgaged premises and any buildings and improvements thereon are and shall continue to be (i) free of toxic waste, asbestos and other hazardous materials and (ii) in compliance with all applicable laws, rules, regulations or orders pertaining to health, the environment or hazardous materials.

18. Mortgagor covenants, represents and warrants that the use of the property complies with all laws, ordinances, regulations and requirements of all governmental bodies having jurisdiction over the mortgaged premises.

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19. Mortgagor and any owner of the premises shall deposit with the holder of this Mortgage equal monthly payments sufficient in amount to accumulate funds for the payment of the following items thirty (30) days before the same become due in each instance; a) Taxes; b) Assessments; c) Hazard Insurance Premiums; d) Principal and interest on prior mortgages. An advance deposit shall be made at the time of the execution of this Mortgage, in an amount which, when added to the monthly payments thereafter to be made will create the funds necessary to meet the said charges as they next accrue. The amount of the said advance deposit and the amounts of all subsequent monthly deposits shall be determined by the holder hereof from time to time, based upon current and estimated future requirements. The said funds shall bear no interest. If the holder shall assign this Mortgage, he shall transfer the said funds to the assignees, and upon notice to the owner of the premises of said transfer and assignment, the holder of this Mortgage shall be absolved of any responsibility in reference thereto and Mortgagor or owner of the premises shall look solely to the assignee and transferee in reference thereto. Upon any sale of the premises, the owner of the premises shall be entitled to a certificate by the owner of this Mortgage, of the amount on deposit and shall credit the same to the new owner upon written notice of such sale. Like certification shall be given to any owner of the premises from time to time, but no more often than once each six (6) months (unless there be more frequent sales). The holder of this Mortgage shall apply the said deposits toward the payment of such items as they accrue; but if there be a default in the payment of principal and/or interest hereunder, or a default in any of the terms of this or any prior mortgage, the holder hereof may apply the said funds toward the payment of the indebtedness secured under this Mortgage. Upon full payment of the indebtedness secured by this Mortgage, the surplus funds on deposit shall be paid over to the record owner of the premises and no other person or corporation shall have any right or claim thereto in any event. If the provisions for payment of principal and/or interest on the indebtedness secured hereunder shall be for monthly payments thereof, then the deposits herein provided for shall be made together with said monthly payments. If the said payments are to be made less frequently than in monthly payments, then said deposits shall be made on the first day of each month commencing with the first day of the month immediately following the date of this Mortgage. Failure to make any such payments shall, at the option of the holder of this Mortgage, be treated as a default in payment of principal and/or interest hereunder with the same rights and remedies as in such other defaults. Such escrow deposits shall not be required provided Mortgagor is not in default of any of the terms, covenants, conditions and agreements contained herein.

20. Any provision in this rider or in this Mortgage to the contrary notwithstanding, Mortgagor shall furnish to the holder of this Mortgage proof of payment of real estate taxes and water charges assessed against the premises within twenty (20) days after the same are due and payable. Proof of payment shall be by receipted bills from the payee.

21. Any payment made in accordance with the terms of this Mortgage by any person at any time liable for the payment of the whole or any part of the sums now or hereafter secured by this Mortgage, or by any subsequent owner of the mortgaged premises, or by any other person whose interest in the premises might be prejudiced in the event of a failure to make such payment, or by any other person whose interest in the premises might be prejudiced in the event of a failure to make such payment, or by any stockholder, officer or director of a corporation which at any time may be liable for such payment or may own or have such an interest in the premises, shall be deemed, as

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between Mortgagee and all persons who at any time may be liable as aforesaid or may own the premises, to have been made on behalf of all such persons.

22. Mortgagor covenants and agrees that in the event any check tendered by Mortgagor or on behalf of Mortgagor in payment of any of the obligations of Mortgagor under this Mortgage or the Note secured hereby is returned unpaid by the Bank upon which such payment is drawn, then in such event, Mortgagor shall pay to Mortgagee a fee of FIFTY DOLLARS (\$50.00) to reimburse Mortgagee for the administrative expenses incurred by Mortgagee on account of such returned check. Such fee shall be paid with the next payment due under the terms of this Mortgage or the Note secured hereby. Any default in the payment of such fee shall be deemed a default in the payment of principal and/or interest hereunder.

23. In addition to the events set forth in Paragraphs 4 and 14 hereof, the whole of the debt secured hereby shall immediately become due and payable at the option of the Mortgagee, and thereupon the Mortgagee shall have the right, among others, to foreclose this Mortgage in whole or in part, upon the happening of any one or more of the following:

(a) If any representation or warranty made by the Mortgagor or any person or entity (hereinafter called a "Guarantor") guaranteeing in whole or in part the payment of the Note of even date herewith or in any guaranty or in any certificate, report, financial statement or other instrument furnished in connection with the making of the Note, shall prove false or misleading in any material respect.

(b) After Mortgagor has failed for a period of five (5) days after written notice to furnish a statement of the amount due on this Mortgage and whether any offsets or defenses exist against the Mortgage debt.

(c) Failure, after fifteen (15) days written notice from the Mortgagee, to remove or bond any Federal tax lien or any other lien, claim or encumbrance affecting or purporting to affect the title to the premises or the buildings and improvements now or hereafter located thereon or any portion thereof (except for liens for real estate taxes not yet due and payable). Nothing contained in this section shall require the payment or discharge of any obligation imposed hereunder, so long as Mortgagor shall, in good faith and at its own cost and expense, contest same, or the validity thereof by appropriate legal proceedings which shall operate to prevent the collection thereof or other realization thereon, and the sale and forfeiture of the premises, or any part thereof, to satisfy same; provided that during such contest, the Mortgagor shall provide security satisfactory to Mortgagee assuring discharge of the Mortgagor's obligation under said action.

(d) In the event the Mortgagor enters into a lease (ground lease, net lease or otherwise) for all or substantially all of the premises, or sells, conveys, assigns or otherwise transfers title to the whole of the premises, or of the income therefrom, or the sufferance by the Mortgagor of an assignment, mortgage or other encumbrance in any manner of its interest in the whole or any part of the premises or of the buildings and improvements now or hereafter located thereon or of the

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income therefrom (other than such assignments, mortgages or encumbrances as may be held by Mortgagee), unless consented to in writing by the Mortgagee.

(e) If a case (or similar request for relief) in bankruptcy is commenced, whether voluntary or involuntary, or if a petition for reorganization, an arrangement or other relief under any bankruptcy or insolvency law or for a receiver, custodian or trustee for any of the property of Mortgagor or any Guarantor is filed, by or against the Mortgagor or any Guarantor which is not dismissed within twenty (20) days, or if a receiver, custodian or trustee of any property of Mortgagor or any Guarantor is appointed and is not discharged within twenty (20) days, or if an assignment for the benefit of creditors is made or consented to by the Mortgagor or any Guarantor or if the Mortgagor or any Guarantor admits its or his inability to pay its or his debts or is adjudged insolvent by any State or Federal court of competent jurisdiction, or if an attachment or execution is levied against any portion of the property of the Mortgagor or any Guarantor which is not discharged within twenty (20) days.

(f) If a default or event of default shall occur (after the expiration of any applicable grace period or the giving of any required notice) under the Note, or any guaranty executed by a Guarantor in favor of the Mortgagee

(g) Non-performance by the Mortgagor of, or failure to comply with, any agreement, covenant, or condition contained in this mortgage or any other instrument executed with respect to the premises.

24. The failure of Mortgagor to pay any installment of principal and/or interest on any prior or subsequent mortgage given by Mortgagor or any related entity of Mortgagor to Mortgagee or any related entity of Mortgagee on any other property or the failure of Mortgagor to otherwise comply with any of the other terms, provisions, and conditions of any other mortgage given by Mortgagor or any related entity of Mortgagor to Mortgagee or any related entity of Mortgagee shall be deemed a default in the payment of an installment of principal and/or interest under the terms of this Mortgage.

25. [Omitted]

26. [Omitted]

27. [Omitted]

28. [Omitted]

29. [Omitted]

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30. Mortgagor covenants and agrees to promptly discharge within ten (10) days any mechanic's, materialman's or other lien which may be filed against the mortgaged premises, other than liens for local real estate taxes and assessments not yet due and payable.
31. In the event Mortgagee shall hereafter make any advances or incur any expenses on which, under the provisions of this Mortgage or by law, the Mortgagee is entitled to interest, such interest shall be computed at a rate per annum which shall be the interest rate set forth in the Note secured hereby.
32. The rights, options, powers and remedies provided for the benefit of Mortgagee herein or by law shall be cumulative and no one or more of them shall be exclusive of the other or others. No delay or failure of Mortgagee to exercise any right, power, option or remedy herein given or reserved or afforded by law shall constitute a waiver of such right, power, option or remedy or estop the Mortgagee from exercising same or any other right, power, option or remedy at any time. The acceptance by Mortgagee of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided with regard to subsequent defaults. The acceptance by Mortgagee of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and Mortgagor's failure to pay the entire sum then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, and Mortgagee shall be at all times hereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Mortgagee thereafter of further sums on account, or otherwise, entitled to exercise all rights in this Mortgage conferred upon it upon the occurrence of a default, and the right to proceed with a foreclosure of this Mortgage shall in no way be impaired, whether any of such amounts are received prior or subsequent to notice of such default or the commencement of such foreclosure. Should Mortgagee waive any default by Mortgagor hereunder or waive any right, power, option or remedy on occasion, such waiver shall not operate as a waiver of any subsequent default or the exercise of any right, power, option or remedy on a subsequent occasion.
33. In the event any one or more of the provisions contained in this Mortgage or in the Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision hereof, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been included herein or therein.
34. Any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to Mortgagor or Mortgagee shall be deemed given or furnished (i) when addressed to the party intended to receive the same, at the address of such party set forth below and delivered at such address or (ii) three days after the same is deposited in the United States mail as first class certified mail, return receipt requested, postage paid, whether or not the same is actually received by such party:

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Mortgagee: GAIL STAMLER
c/o Eaton & Van Winkle LLP
New York, NY 10016

Mortgagor: ARS CAPITAL INVESTMENTS & MANAGEMENT LLC
20426 Attica Road
Olympia Fields, Illinois 60461

Either party may change the address to which any such notice, report, demand or other instrument is to be delivered or mailed, by furnishing written notice of such change to the other party, but no such notice of change shall be effective unless and until received by such other party.

35. Wherever the Mortgagee is given, in this instrument, the option to accelerate the maturity of the Mortgage debt, the Mortgagee may, to the extent permitted by law, do so without giving notice to or making demand on the Mortgagor or its successors or assigns, except as otherwise specifically provided in this instrument.

36. Mortgagor represents and warrants that Mortgagor has no knowledge of, nor has it received any notification of, any conditions which would constitute a violation of any federal, state or local environmental related law or regulation.

37. Mortgagor warrants and represents that it is not aware of any conditions which might result in potential environmental liabilities. Mortgagor further agrees that it shall promptly notify Mortgagee of any adverse environmental conditions of which it may become aware subsequent to the execution of this Mortgage, and shall comply with all federal, state and local environmental laws and regulations as it relates to the premises.

38. Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from and against any and all environmental liabilities which may be incurred by Mortgagee as a result of this Mortgage or the exercising of any of Mortgagee's rights hereunder including but not limited to the taking of the premises by foreclosure. Neither the sale, transfer or conveyance of the mortgaged premises shall in any way affect or cancel the obligations of the Mortgagor hereunder, as such indemnity shall survive any transfer of title to the mortgaged premises, as well as repayment of the Note.

39. If at any time an order or requirement is issued by any governmental body or agency having jurisdiction requiring clean up of a toxic or hazardous condition affecting the mortgaged premises, or a lien is filed against the mortgaged premises by any such body or agency relating to any such condition, the condition or lien shall be cleared within sixty (60) days of the issuance of such order or requirement or placement of the lien on the mortgaged premises. If such order, requirement or lien would entitle such body or agency to cause the mortgaged premises to be sold or transferred or condemned within a period of less than such sixty (60) day period aforesaid

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to cure, then the clearing of the condition resulting in such order or requirement or removal of such lien shall be accomplished by Mortgagor within such lesser period less ten (10) days. If Mortgagor fails to cure any such condition and certain cancellation of such order or removal of such lien, as the case may be, within the aforesaid applicable period provided to cure the condition, the Mortgagee, at its option, may declare the indebtedness secured hereby with the accrued interest to be immediately due and payable.

40. In the event of default of Mortgagor in keeping, observing or performing any of the covenants, conditions or agreements contained herein or in the obligation which this Mortgage secures, the Mortgagee may, at its option, perform same, and the cost thereof to Mortgagee, with interest thereon at the rate per annum in effect at the time of incurring the cost for interest payable under the Note secured hereby, shall be immediately due and payable.

41. Mortgagor (as Debtor) hereby grants to Mortgagee (as Creditor and Secured Party) a security interest in (a) all building materials, supplies and other property for incorporation into the buildings on the mortgaged premises, (b) all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of or located at the mortgaged premises (including governmental permits, licenses and approvals), (c) all of Mortgagor's contract rights in contracts and agreements now or hereafter existing with respect to the mortgaged premises, and (d) all right, title and interest of Mortgagor in and to any and all leases, subleases and occupancy or similar agreements now or hereafter on or affecting the mortgaged premises, together with all security therefor and all moneys payable thereunder, and all books and records which reflect payments made under the leases and all security therefor. This Mortgage is a self-operative security agreement with respect to the foregoing property, but Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as Mortgagee may request in order to preserve and maintain the priority of the lien created hereby, perfect its security interest or to impose the lien hereof more specifically upon any of such property. Mortgagee shall have all the rights and remedies in addition to those specified herein of a secured party under the Uniform Commercial Code.

42. The Mortgagor absolutely and unconditionally assigns to the Mortgagee all leases and future leases of the premises, all modifications, renewals and extensions thereof and all guarantees, if any, of the tenants' obligations under said leases and future leases (said leases and future leases and guarantees, modifications, renewals and extensions relating thereto being herein collectively and severally referred to as the "Leases") and all rents, income and profits arising from the Leases (collectively, the "Rents") as further security for the payment of the indebtedness hereby secured, and the Mortgagor grants to the Mortgagee the right to enter the premises for the purpose of collecting the same and to let the premises, or any part thereof and to apply said Rents after payment of all necessary charges and expenses, on account of the indebtedness hereby secured. This assignment and grant shall continue in effect until the indebtedness hereby secured is paid in full. The Mortgagee hereby conditionally waives the right to enter the premises for the purpose of collecting said Rents, and the Mortgagor shall be entitled to collect, receive in trust and use said Rents for payment of the indebtedness hereby secured. The Mortgagor's limited right to collect said Rents may be revoked by the Mortgagee upon the occurrence of one or more defaults arising in connection with the note by giving notice of such revocation to the Mortgagor.

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The Mortgagor shall, from time to time after request by the Mortgagee, execute, acknowledge and deliver to the Mortgagee, in form reasonably satisfactory to the Mortgagee, separate agreements effectuating the foregoing and any person may, and is hereby authorized to, rely thereon. The Mortgagee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Mortgagor under any Lease or other agreement affecting all or any part of the premises, and the Mortgagor hereby agrees to indemnify the Mortgagee for and hold it harmless from, any and all liability arising from any such Lease or other agreement or assignments thereof, and no assignment of any such Lease or other agreement shall place the responsibility for the control, care, management or repair of all or any part of the premises upon the Mortgagee, nor make the Mortgagee liable for any negligence in the management, operation, upkeep, repair or control of all or any part of the premises resulting in injury, death or property damage. The Mortgagor hereby authorizes and directs the tenants named in the Leases or any other tenant or future tenants or occupants of the premises upon receipt from the Mortgagee of written notice to the effect that the Mortgagee is then the holder of the indebtedness hereby secured and the Mortgagee elects to require all tenants under the Leases to pay over to the Mortgagee all Rents arising or occurring under the Leases from the premises and to continue to do so until otherwise notified by the Mortgagee. The Mortgagor shall not collect any of the Rents on or after the date on which the Mortgagee gives the foregoing notice to the tenants. In addition, to the rights which the Mortgagee may have herein, in the event of any default under this Mortgage, the Mortgagee, at its option, may require the Mortgagor to pay monthly in advance to the Mortgagee, or any receiver or trustee appointed to collect the Rents of the premises, the fair and reasonable rental value for the use and occupation of such part of the premises as may be occupied or in the possession of the Mortgagor. Upon default in such payment, the Mortgagor will vacate and surrender possession of the premises to the Mortgagee, or to such receiver or trustee and, in default thereof, the Mortgagor may be evicted by summary proceedings or otherwise. At the Mortgagee's request, Mortgagor agrees to assign and transfer to the Mortgagee any and all subsequent leases upon all or any part of the premises and to execute and deliver at the request of the Mortgagee all such further assurances, confirmations and assignments as the Mortgagee shall, from time to time, reasonably require. Nothing contained in this paragraph shall be construed as imposing on the Mortgagee any of the obligations of the lessor under such Leases.

43. In the event Mortgagee obtains a Judgment of Foreclosure, a reasonable legal fee of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) or such other greater actual sum as Mortgagee or its attorney may show is due for the fair value of their services and the costs and expenses of the action shall be payable by Mortgagor and shall constitute part of the principal obligation hereunder.

44. Mortgagor agrees to pay a reasonable satisfaction/assignment fee to Mortgagee and its attorneys for preparation of the satisfaction/assignment of the Mortgage and the collateral documents thereto.

45. Provided Mortgagor is not in default, Mortgagee may, in its sole and absolute discretion, extend the term of the Note and Mortgage upon payment of a reasonable extension fee. Said extension is subject to an appraisal satisfactory to Mortgagee, title continuation indicating no

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subordinate liens of record, and payment of all real estate taxes and insurance premiums due. Mortgagor shall be responsible for all costs in connection with said extension including reasonable attorneys' fees of Mortgagee's counsel.

46. Mortgagor shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (2) keep said premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (5) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (6) make no material alterations in said premises except as required by law or municipal ordinance.

47. 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 the Mortgagee duplicate receipts therefore. To prevent default hereunder Mortgagors shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may desire to contest.

48. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagors, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Mortgagors, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefore; provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagors 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, the Mortgagee may elect, by notice in writing given to Mortgagors, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

49. If, by the laws of the United States of America or of any state having jurisdiction in the premises, any tax is due or becomes due in respect of the issuance of the note hereby secured, the Mortgagors covenant and agree to pay such tax in the manner required by any such law. The Mortgagors further covenant to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the note secured hereby.

50. Mortgagors shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and windstorm under policies

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providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the respective dates of expiration.

51. In case of default therein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other moneys advanced by Mortgagee to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagors.

52. The Mortgagee making any payment hereby authorized relating to taxes or assessments may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry, into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

53. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof. At the option of the Mortgagee and without notice to Mortgagor, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the note or in this mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any installment of principal or interest on the note, or (b) when default shall occur and continue for three days in the performance of any other agreement of the Mortgagor herein contained.

54. When the indebtedness hereby shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title-searches, and examinations, title insurance policies, Torrens

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certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of the mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the premises or the security hereof.

55. That the mortgagor hereby assigns to the mortgagee the rents, issues and profits of the premises as further security for the payment of said indebtedness, and the mortgagor grants to the mortgagee the right to enter upon and to take possession of the premises for the purpose of collecting the same and to let the premises or any part thereof, and to apply the rents, issues and profits, after payment of all necessary charges and expenses, on account of said indebtedness. This assignment and grant shall continue in effect until this mortgage is paid. The mortgagee hereby waives, the right to enter upon and to take possession of said premises for the purpose of collecting said rents, issues and profits, and the mortgagor shall be entitled to collect and receive said rents, issues and profits until default under any of the covenants, conditions or agreements contained in this mortgage, and agrees to use such rents, issues and profits in payment of principal and interest becoming due on this mortgage and in payment of taxes, assessments, sewer rents, water rates and carrying charges becoming due against said premises, but such right of the mortgagor may be revoked by the mortgagee upon any default.

ARS CAPITAL INVESTMENTS & MANAGEMENT LLC

By: Anthony R. Scales
ANTHONY R. SCALES, Sole Member

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Exhibit "A"

Legal Description

LOT 17 IN BLOCK 4 IN CANTERBURY GARDENS, UNIT NUMBER 1, BEING A
SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 24, TOWNSHIP 36
NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS

Property of Cook County Clerk's Office