

COPY

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MORTGAGE TO SECURE A REVOLVING CREDIT LOAN

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NOTICE: THIS MORTGAGE MAY SECURE BORROWINGS MADE SUBSEQUENT TO A TRANSFER OF THE PROPERTY

This MORTGAGE TO SECURE A REVOLVING CREDIT LOAN (herein "Mortgage") is made by and among
Americo R. Fonseca and Cecelia C. Fonseca, his wife, in joint tenancy

(herein "Borrower") and First State Bank and Trust Company of Park Ridge
SECOND MORTGAGE

(herein "Bank")
Borrower in consideration of the indebtedness herein recited, grants, bargains, sells and conveys, warrants and mortgages (unless Borrower is a Trust, in which event Borrower conveys mortgages and quitclaims) unto Bank and Bank's successors and assigns, the following Described property located in the _____ city of Park Ridge County of Cook State of Illinois

Lot 82 in Feuerborn and Klode's Second Howard Avenue Addition to Park Ridge, being a Subdivision in the Southeast 1/4 of the Northwest 1/4 of Section 27, Township 41 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tag ~~XXXXXXXXXXXX~~

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commonly known as 732 Sylvaewood Park Ridge, Illinois, (herein "Property Address").

TO HAVE AND TO HOLD such property unto Bank and Bank's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances after-acquired title or reversion in and to the beds of ways, streets, avenues and alleys adjoining the Property, and rents (subject however to the rights and authorities given herein to Bank to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, insurance and condemnation proceeds, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage, and all of the foregoing, together with said property are hereinafter referred to as the "Property", as to any property which does not constitute a fixture (as such term is defined in the Uniform Commercial Code), this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating a security interest in such property, which Borrower hereby grants to Bank as Secured Party (as such term is defined in the said Code).

To Secure to Bank on condition of the repayment of the indebtedness evidenced by an Agreement and Disclosure Statement ("Agreement") of even date herewith and by Borrower's Variable Interest Rate Promissory Note ("Note") of even date herewith, in the principal sum of US \$ 25,000.00 or so much thereof as may be advanced and outstanding with interest thereon, providing for monthly installments of interest, with the principal balance of the indebtedness, if not sooner paid or required

to be paid, due and payable ten years from the date thereof, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower contained herein and in the Agreement and the Note. The Agreement, the Note and this Mortgage are collectively referred to as the "Credit Documents". The Note evidences a revolving credit as defined in Illinois Statutes Chapter 17, Paragraph 6405 and as otherwise amended. The lien of this Mortgage secures payment of any existing indebtedness and future advances made pursuant to the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage, without regard to whether or not there is any advance made at the time this Mortgage is executed and without regard as to whether or not there is any indebtedness outstanding at the time any advance is made.

Notwithstanding anything to the contrary herein, the Property shall include all of Borrower's right, title, and interest in and to the real property described above, whether such right, title, and interest is acquired before or after execution of this Mortgage.

Borrower covenants that Borrower is the lawful owner of the estate in land hereby conveyed and has the right to grant, convey and mortgage the Property, and that the Property is unencumbered except for encumbrances of record. Borrower (unless Borrower is a Trust) covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record. Borrower covenants that Borrower will neither take nor permit any action to partition or subdivide the Property or otherwise change the legal description of the Property or any part thereof, or change in any way the condition of title of the Property or any part thereof.

Borrower acknowledges that the Note calls for a variable interest rate, and that the Bank may, prior to the expiration of the term of Note, cancel future advances thereunder and/or require repayment of the outstanding balance under the Note.

COVENANTS. Borrower and Bank covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due, in accordance with the terms of the Note, the principal and interest on the indebtedness evidenced by the Note, together with any late charges and other charges imposed under the Note.

2. APPLICATION OF PAYMENTS. Unless applicable law requires otherwise, all payments received by Bank under the Note and this Mortgage shall be applied by Bank first in payment of amounts payable to Bank by borrower under paragraphs 6 and 26 of this Mortgage, then to interest payable on the Note, then to other charges payable under the Agreement, and then to the principal of the Note.

3. PRIOR MORTGAGES AND DEEDS OF TRUST; CHARGES; LIENS. Borrower shall fully and timely perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage, including Borrower's covenants to make any payments when due. Borrower shall pay or cause to be paid, at least ten (10) days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Property and all encumbrances, charges, loans, and liens (other than any prior first mortgage or deed of trust) on the Property which may attain any priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall deliver to Bank upon its request, receipts evidencing such payment.

4. HAZARD INSURANCE. Borrower shall, at its cost, keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards (collectively referred to as "Hazards") as Bank may require. Borrower shall maintain Hazard insurance for the entire term of the Note or such other periods as Bank may require and in an amount equal to the lesser of (A) the maximum insurable value of the Property or (B) the amount of the line of credit secured by this Mortgage plus the outstanding amount of any obligation secured in priority over this Mortgage, but in no event shall such amounts be less than the amount necessary to satisfy the coinsurance requirement contained in the insurance policy.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Bank provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Bank and shall include a standard mortgagee clause in favor of and in a form acceptable to Bank. Bank shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage. If Borrower makes the premium payment directly, Borrower shall promptly furnish to Bank all renewal notices and, if requested by Bank, all receipts of said premiums. If policies and renewals are held by any other person, Borrower shall supply copies of such to Bank within ten (10) calendar days after issuance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Bank. Bank may make proof of loss if not made promptly by Borrower. Subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage, the amounts collected by Borrower or Bank under any Hazard insurance policy may, at Bank's sole discretion, either be applied to the indebtedness secured by this Mortgage (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Bank and Borrower in this connection) and in such order as Bank may determine or be released to Borrower for use in repairing or reconstructing the Property, and Bank is hereby irrevocably authorized to do any of the above. Such application or release shall not cure or waive any default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Bank in writing within thirty (30) calendar days from the date notice is mailed by Bank to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Bank is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds at Bank's sole option either to restoration or repair of the Property or to the sums secured by this Mortgage.

If the Property is acquired by Bank, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to such sale or acquisition shall become the property of Bank to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Borrower shall use, improve and maintain the Property in compliance with applicable laws, statutes, ordinances, orders, requirements, decrees or regulations, shall keep the Property in good condition and repair, including the repair or restoration of any improvements on the Property which may be damaged or destroyed, shall not commit or permit waste or permit impairment

Handwritten notes: "L-105188-01", "L-105188-01", "Handwritten" (vertical)

Watermark: "Cook County Clerk's Office"

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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 Americo R. Fonseca and Cecelia C. Fonseca, his wife personally known to 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, sealed and delivered the said instrument as his 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 6th day of August 1988

Kathleen A. [Signature]
Notary Public

-88-371277

Commission expires _____

This document has been prepared by:

Geraldine Cooper, V.P.

First State Bank & Trust Co. of Park Ridge

607 Devon, Park Ridge, Il. 60068

P.T.I. # _____

**MAIL TO:
BOX 45**

88371277

IF BORROWER IS A TRUST:

By: _____
not personally but solely as aforesaid

Dated _____

ATTEST:

DEPT-01 \$14.00
T#444 TRAN 1606 08/16/88 15:40:00
#8685 # D * -88-371277
COOK COUNTY RECORDER

STATE OF ILLINOIS
COUNTY OF _____

ss:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that _____

President of _____

a corporation, and _____ Secretary of said corporation, personally known to me

to be the same persons whose names are subscribed to the foregoing instrument as such _____ President and

that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said corporation, as Trustee, for the uses and

purposes therein set forth, and the said _____ Secretary did also

then and there acknowledge that he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation to instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____

Notary Public

Commission expires: _____

THIS INSTRUMENT PREPARED BY:

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Individual Borrower

8 5 7 1 2 7 7

Individual Borrower

Date:

Cecelia C. Fonseca

8-06-88

Individual Borrower

Americo R. Fonseca

8-06-88

Individual Borrower

IF BORROWER IS AN INDIVIDUAL, IN WITNESS WHEREOF, Borrower has executed this Mortgage

Trustee, executes this Mortgage as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed by the mortgagee herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on the Trustee personally to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this Mortgage and the Note secured hereby shall be solely against and out of the Property hereby conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect the personal liability of any co-maker, co-signer, endorser or guarantor of said Note

26. TRUSTEE EXCULPATION. If this Mortgage is executed by a Trust, the captions of this Mortgage and the other Credit Documents and conditions of this Mortgage shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Borrower.

27. CAPTIONS; SUCCESSORS AND ASSIGNS. The captions of this Mortgage are for convenience and reference only. They in no way define, limit or describe the scope or intent of this Mortgage. All the terms and conditions of this Mortgage and the other Credit Documents shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Borrower. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of the Bank under this Mortgage, the Agreement, or the Note or any other instrument, or the judgment or decree, all expenses and costs incurred by the Bank in the prosecution of this Mortgage, including the cost of recording, recording fees, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to this Mortgage, all expenses and costs of the nature of the items mentioned in this paragraph, and such expenses and fees as may be incurred in the prosecution of this Mortgage, the Note or the Property or in preparation for the commencement of defense or any proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the default interest rate.

28. EXPENSE OF LITIGATION. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of the Bank under this Mortgage, the Agreement, or the Note or any other instrument, or the judgment or decree, all expenses and costs incurred by the Bank in the prosecution of this Mortgage, including the cost of recording, recording fees, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to this Mortgage, all expenses and costs of the nature of the items mentioned in this paragraph, and such expenses and fees as may be incurred in the prosecution of this Mortgage, the Note or the Property or in preparation for the commencement of defense or any proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the default interest rate.

29. WAIVER OF STATUTORY RIGHTS. Borrower shall not apply for, or waive itself or any homesteaded, appraised, redemption, stay, extension or exemption laws, or any so-called "mortatorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws, Borrower, for itself and all who may claim through or in her, it, waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Borrower hereby waives any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagee, the trust estate, and all persons beneficially interested therein, and each and every person acquiring any interest in or title to the Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.

30. TAXES. In the event of the passage after the date of this Mortgage of any law changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, or the manner of operation of such taxes, so as to affect the interest of Bank, then and in such event Borrower shall pay the full amount of such taxes.

31. ACTUAL KNOWLEDGE. For purposes of this Mortgage and each of the other Credit Documents, Bank will not be deemed to have received actual knowledge of information required to be conveyed to Bank in writing by Borrower until the date of actual receipt of such information at

607 Devon Ave., Park Ridge, Ill. 60068

21. INCORPORATION OF TERMS. All of the terms, conditions and provisions of the Agreement and Note are by this reference incorporated herein as if set forth in full. Any Event of Default under the Note or the Agreement shall constitute an Event of Default hereunder, without further notice to Borrower.

22. TIME OF ESSENCE. Time is of the essence in this Mortgage, and the Note and Agreement.

23. REQUEST FOR NOTICE. Borrower requests that copies of any notice of default be addressed to Borrower and sent to the Property Address. Bank requests that copies of notices of default, as well as for foreclosure from the holder of any lien which has priority over this Mortgage be sent to Bank's address, as set forth on page one of this Mortgage.

19. RELEASE. Upon payment and discharge of all sums secured by this Mortgage and termination of the Account, this Mortgage shall become null and void and Bank shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

18. ASSIGNMENT OF RENTS; APPOINTMENTS OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Bank the rents of the Property, provided that prior to acceleration under paragraph 17 hereof or the occurrence of an Event of Default hereunder or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable.

17. ACCELERATION; REMEDIES (INCLUDING FREEZING THE LINE). Upon the existence of an Event of Default, Bank may, at its sole option, terminate the line, declare all of the sums secured by this Mortgage to be immediately due and payable without further demand, and invoke any remedies permitted by applicable law. Bank shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees.

As additional specific protection, notwithstanding any other term of this Mortgage, Bank, without declaring or asserting an Event of Default or invoking any of its remedies pertaining to Events of Default, may, immediately and without notice, freeze the line upon the occurrence of any event enumerated in paragraphs 15 or 16 of this Mortgage, including without limitation Bank's receipt of notice from any source of a lien, claim of lien or encumbrance, either superior or inferior to the lien of this Mortgage. Notice of any such freeze shall be given in accordance with the provisions of paragraph 11 of this Mortgage. Freezing the line will not preclude Bank from subsequently exercising any right or remedy set forth herein or in any of the Credit Documents.

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of deterioration of the Property. If this Mortgage is on a unit in a condominium or planned unit development, the laws and regulations of the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and all amendments and supplements thereto shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

6. PROTECTION OF BANK'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Mortgage or in the Credit Documents, or if any action or proceeding is commenced which affects Bank's interest in the Property or the rights or powers of Bank, then Bank without demand upon Borrower but upon notice to Borrower pursuant to paragraph 11 hereof, may, without releasing Borrower from any obligation in this Mortgage, make such appearances, defend the action or proceeding, pursue to paragraph 11 hereof, and take such action as Bank deems necessary to protect the security of this Mortgage. If Bank has required mortgage maintenance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Bank's written agreement or applicable law.

Any amount disbursed by Bank pursuant to this paragraph 6, with interest thereon at the rate from time to time in effect under the Note, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Bank agree, in writing, to other terms of payment, such amounts shall be payable upon notice from Bank to Borrower requesting payment thereof. Nothing contained in this paragraph 6 shall require Bank to incur any expense or take any action hereunder and any action taken shall not release Borrower from any obligation in this Mortgage.

7. INSPECTION. Bank may make or cause to be made reasonable entries upon and inspections of the Property, provided that, except in an emergency, Bank shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Bank's interest in the Property.

8. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Bank subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. Borrower agrees to execute such further documents as may be required by the condemnation authority to effectuate this paragraph. Bank is hereby irrevocably authorized to apply or release such moneys received or make settlement for such moneys in the same manner and with the same effect as provided in this mortgage for disposition or settlement of proceeds of Hazard insurance. No settlement for condemnation damages shall be made without Bank's prior written approval.

9. BORROWER NOT RELEASED; FORBEARANCE BY BANK NOT A WAIVER. Extension of the time for payment, acceptance by Bank of payments other than according to the terms of the Note, modification in payment terms of the sums secured by this Mortgage granted by Bank to any successor in interest of Borrower, or the waiver or failure to exercise any right granted hereon or under the Credit Documents shall not operate to release, in any manner, the liability of the original Borrower, Borrower's successor in interest, or any guarantor or surety thereof. Bank shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify the terms of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Bank shall not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Bank. Any such waiver shall apply only to the extent specifically set forth in the writing. A waiver as to one event shall not be construed as continuing or as a waiver as to any other event. The procurement of insurance or the payment of taxes, or other obligations or charges by Bank shall not be a waiver of Bank's right as otherwise provided in this Mortgage to accelerate the maturity of the indebtedness secured by this Mortgage in the event of Borrower's default under this Mortgage or the other Credit Documents.

10. SUCCESSION AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors, heirs, legatees, devisees and assigns of Bank and Borrower, subject to the provisions of paragraph 10 hereof. All covenants and agreements of Borrower or Borrower's successors, heirs, legatees, devisees and assigns shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, shall be personally liable on the Note or under this Mortgage, and (c) agrees that Bank and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note, without that Borrower's consent and without releasing that Borrower or modifying that Borrower's interest in the Property. The captions and headings of the Paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof. In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

11. NOTICES. Except for any notice required under applicable law to give or give in another manner, (a) any notice to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) provided for in this Mortgage shall be given by hand delivery, or by mailing such notice by registered or certified mail addressed to, Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) may designate by written notice to Bank as provided herein, and (b) any notice to Bank shall be given by registered or certified mail to Bank at 607 Devon Ave., Park Ridge, IL 60068.

12. GOVERNING LAW; SEVERABILITY. The Mortgage shall be governed by and interpreted in accordance with the laws of the State of Illinois. If any provision of this Mortgage shall be adjudged invalid, illegal, or unenforceable by any court, such provision shall be deemed stricken from this Mortgage and the balance of the Mortgage shall be construed as if such provision had never been included. As used herein, "costs", "expenses", and "all moneys" fees, include all sums to the extent not prohibited by applicable law or limited herein.

13. BORROWERS COPY. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recording hereof.

14. REMEDIES CUMULATIVE. Bank may exercise all of the rights and remedies provided in this Mortgage and in the Credit Documents, or which may be available to Bank by law, and all such rights and remedies shall be cumulative and concurrent, and may be pursued singly, successively or together, at Bank's sole discretion, and may be exercised as often as occasion therefor shall occur.

15. EVENTS OF DEFAULT.

a. Notice and Grace Period. An Event of Default will occur hereunder upon the expiration of the applicable grace period. If any, after Bank gives written notice to Borrower of Borrower's breach or violation of any of the Credit Documents and upon Borrower's failure to cure such breach or violation, and to provide Bank, during the grace period, if any, with evidence reasonably establishing to it no such cure, the grace period begins to run on the day after the notice is given, and expires at 11:59 p.m. Central time, on the last day of the period. If there is no grace period applicable to a particular breach or violation, the Event of Default will occur hereunder upon the giving of the above notice. Such notice shall be given to Borrower in accordance with paragraph 11 hereof. The applicable grace period, if any, information: (1) the nature of Borrower's breach or violation; (2) the action, if any, required or permitted to cure such breach or violation; (3) the applicable grace period, if any, during which such breach or violation must be cured; and (4) whether failure to cure such breach or violation within the specified grace period, if any, will result in acceleration of the sums secured by this Mortgage and the potential foreclosure of this Mortgage. The notice shall further inform Borrower of the right, if any, under applicable law, to reinstate his revolving line of credit under this Mortgage after acceleration.

b. Events of Default. Set forth below is a list of events which, upon the lapse of the applicable grace period, if any, will constitute Events of Default. Applicable grace periods are set forth parenthetically after each event. The events are: (a) Borrower fails to pay when due any amounts due under the Credit Documents (Thirty (30) day grace period); (2) Borrower fails to keep the covenants and other promises made in paragraphs 2 and 5 of the Agreement (no grace period); (3) Bank receives actual knowledge that Borrower omitted material information in Borrower's credit application or made any false or misleading statements on Borrower's credit application (no grace period); (4) Borrower dies or changes his or her marital status and transfers Borrower's interest in the Property to someone who either (i) is not also a signatory of all the Credit Documents (no grace period); or (ii) is a signatory of all the Credit Documents if such transfer, in Bank's reasonable judgment, materially impairs the security for the line of credit described in the Credit Documents (no grace period); (5) Borrower files for bankruptcy, or bankruptcy proceedings are initiated against Borrower and not dismissed within sixty (60) calendar days, under any provision of any state or federal bankruptcy law in effect at the time of filing (no grace period); (6) Borrower makes an assignment for the benefit of his or her creditors, becomes insolvent or becomes unable to meet his or her obligations generally as they become due (no grace period); (7) Borrower further encumbers the Property, or suffers a lien, claim of lien or encumbrance against the Property (thirty (30) day grace period) or securing an obligation of Borrower with an encumbrance; (8) Borrower defaults or an action is filed alleging a default under any credit instrument or mortgage evidencing or securing an obligation of Borrower with priority in right of payment over the line of credit described in the Credit Documents or whose lien has or appears to have any priority over the lien hereof (no grace period); or any other creditor of Borrower attempts to (or actually does) seize or obtain a writ of attachment against the Property (no grace period); (9) Borrower fails to keep any other covenant contained in any of the Credit Documents not otherwise specified in this paragraph 15 (ten (10) day grace period, unless the failure is by its nature not curable, in which case no grace period or, if another grace period is specified in the Credit Documents, that grace period shall prevail).

16. TRANSFER OF THE PROPERTY. If Borrower, or beneficiary of the Trust, if any, sells, conveys, assigns or transfers, or promises or contracts to sell, convey, assign or transfer, all or any part of the Property or any interest therein, including all or any part of the beneficial interest in the Trust, if any, or amends or terminates any ground lease affecting the Property, or if title to the Property, or any direct or indirect interest therein, is otherwise sold or transferred, voluntarily or involuntarily, including without limitation sale or transfer in any proceeding for foreclosure or judicial sale of the Property or beneficial interest in the Trust, if any, in each case without Bank's prior written consent, Bank shall be entitled to immediately accelerate the amount due under the Note and declare all indebtedness secured by this Mortgage to be immediately due and