

MORTGAGE TO SECURE A REVOLVING CREDIT LOAN

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

Don Michael Desmond and Linda Diane Desmond (his wife, in joint tenancy)

(herein "Borrower"), and Ford Consumer Finance Co., Inc. (herein "Lender").

Borrower, in consideration of the indebtedness herein recited, grants, bargains, sells and conveys, warrants and mortgages unto Lender and Lender's successors and assigns, the following described properties located in the city of Prospect Heights County of Cook, State of Illinois:

Lot 8 in Bluett's Countryside Subdivision, in the Southwest 1/4 of the Southeast 1/4 of Section 15, Township 42 North, Range 11, East of the Third Principal Meridian, In Cook County, Illinois.

90005712

which has the address of 815 N. School Street, Prospect Heights, Illinois 60070 Illinois (herein "Property Address");

TO HAVE AND TO HOLD such property unto Lender and Lender'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 (but not however to the rights and authorities given herein to Lender 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 (or the leasehold estate if this Mortgage is on a leasehold) 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) (UCC), this Mortgage is hereby deemed to be, as well, a Security Agreement under the UCC for the purpose of creating a security interest in such Property, which Borrower hereby grants to Lender as Secured Party (as such term is defined in the UCC);

To Secure to Lender on condition of the repayment of the REVOLVING LINE OF CREDIT indebtedness evidenced by a Line of Credit Agreement, Note and Disclosure ("Agreement") of even date herewith in the maximum principal sum of U.S. \$ 20,000.00, 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 15 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. This Mortgage permits and secures, future advances which have the priority of the original advance. All advances will be made within 20 years of the date of this Mortgage.

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. Specifically, and without limitation of the foregoing, if this Mortgage is given with respect to a leasehold estate held by Borrower, and Borrower subsequently acquires a fee interest in the real property, the lien of this Mortgage shall attach to and include the fee interest acquired by Borrower.

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 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 Agreement calls for a "variable interest rate," and that the Lender may, prior to the expiration of the term of the Agreement cancel future advances thereunder and/or require repayment of the outstanding balance under the Agreement. In this regard, the Agreement provisions set forth verbatim below relate to the variable interest rate and the Lender's option to require repayment prior to expiration of the term of the Agreement or to cancel future advances for reasons other than default by the Borrower.

The paragraph of the Line of Credit Agreement, Note and Disclosure entitled "FINANCE CHARGE" provides as follows:

FINANCE CHARGE. We will charge a one time only \$ N/A Origination Fee. We will also charge a Daily Rate which will be adjusted as described below. We will multiply the Daily Rate by the Average Daily Balance and the number of days in the billing period to determine the FINANCE CHARGE for each month. We calculate the Average Daily Balance by adding the balances outstanding at the end of each day during the billing period and dividing that amount by the total number of days in the billing period. The balances outstanding at the end of each day reflect transactions charged and payments received during that day. They do not include any unpaid credit life insurance charges. On the first billing statement only, the FINANCE CHARGE will also include the Origination Fee. The Origination Fee will not be included in the daily balance in calculating the Average Daily Balance. Under this method of calculating the Average Daily Balance, there is no period in which credit extended may be repaid without incurring FINANCE CHARGE. The FINANCE CHARGE will begin, for the first transaction, today. The FINANCE CHARGE will begin, for any Draft advance, on the date we honor such Draft. The Daily Rate will never be less than 19.78% (7.00% ANNUAL PERCENTAGE RATE) or more than 23.69% (15.95% ANNUAL PERCENTAGE RATE). Otherwise, the Daily Rate will be tied to the "Prime Rate" announced from time to time by the Wall Street Journal. Any change in the Daily Rate will be effective beginning at the end of every 3rd billing period. Such change will govern the periods covered by the next 3 billing period(s). The new Daily Rate will be determined by adding 2.00% to the Prime Rate in effect on the 25th day of the month in which every 3rd billing period ends and dividing that sum by 365. The Daily Rate for the periods covered by the first 3 billing period(s) will be 0.7260%. This corresponds to an ANNUAL PERCENTAGE RATE OF 9.95%. If this box is checked, the following disclosure in brackets applies: [The initial Daily Rate and ANNUAL PERCENTAGE RATE are not tied to this formula. If they were, the Daily Rate for the first 3 billing period(s) would be 0.3427%. This corresponds to an ANNUAL PERCENTAGE RATE OF 12.50%.] The Daily Rate will not be changed more than N/A% (N/A% per year) at any one time. An increase in the Daily Rate may increase the monthly payment. If the term "Prime Rate" comes to have a different meaning than it does today or if it is no longer announced by the Wall Street Journal, we have the right to select a comparable index to determine the Daily Rate.

The paragraph of the Line of Credit Agreement, Note and Disclosure entitled "CONDITIONS" provides in its entirety as follows:

CONDITIONS: We will not be obligated to make an advance to you if at the time you request an advance:

- (a) we are aware that you are not regularly and consistently receiving or expecting to continue to receive a monthly income equal to or greater than the monthly income, if any, that you are now receiving; or
(b) we are aware that you have not maintained the insurance on the secured real property as required by our Mortgage or if we receive written notice of a delinquency, or that a Notice of Default has been recorded, on any encumbrance senior to our Mortgage; or
(c) we are aware that laws or regulations which exist or are enacted by the federal or state government or court decisions are rendered that prohibit us from making such advances or servicing the Agreement or otherwise impair our rights hereunder.
Our obligation to make advances to you will terminate and your Line of Credit will terminate if at any time during the term of this Agreement:
(a) we learn that any of you are subject to bankruptcy proceedings; or
(b) you are forty-five or more days delinquent in the making of any payment due to us hereunder; or
(c) we learn that you do not then own the secured real property, or that the property has been materially destroyed; or
(d) we learn that a Notice of Federal or State Tax Lien has been filed for record against the secured real property or that any statutory lien superior to our Mortgage has been filed for record against the secured real property; or
(e) we have received a written request from any of you to close or restrict your Line of Credit account; or
(f) we have given you sixty days prior written notice of our election to terminate your Line of Credit; or
(g) we learn that any representation or warranty made by you, as required by this Agreement, was false at the time it was made.

COVENANTS: Borrower and Lender covenant and agree as follows:

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

2/19/97 6.5

90005712

Handwritten signature or initials

UNOFFICIAL COPY

24. TAXES. In the event of the passage after the date of the 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 Lender, then and in such event Borrower shall pay the full amount of such taxes.

25. WAIVER OF STATUTORY RIGHTS. Borrower shall not and will not apply for or avail itself of any homestead, appraisal, valuation, redemption, stay, extension, or exemption laws, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Borrower, for itself and all who may claim through or under it, waives any and all right to have the Property and estates comprising the property marshalled upon any foreclosure of 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 Mortgagor 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.

26. EXPENSE OF LITIGATION. In any suit to foreclose the line of this Mortgage or enforce any other remedy of the Lender under this Mortgage or the Agreement, there shall be allowed and included, as additional indebtedness in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Borrower for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, 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 title as Lender 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 the true condition of the title to or value of the Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceeding affecting this Mortgage, the Agreement or the Property or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the default interest rate.

27. CAPTIONS. 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. In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

28. CONFORMITY WITH LAW. Lender and Borrower intend their relationship to conform to the definition of "revolving credit" set forth in Illinois Revised Statutes, Chapter 17, paragraph 54.5.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

[Signature: Don Michael Desmond] DATE: 1-3-90
[Signature: Linda Diane Desmond] DATE: 1-3-90

[Signature: Don Michael Desmond] DATE: 1-3-90
Don Michael Desmond
[Signature: Linda Diane Desmond] DATE: 1-3-90
Linda Diane Desmond

STATE OF ILLINOIS)
COUNTY OF COOK)

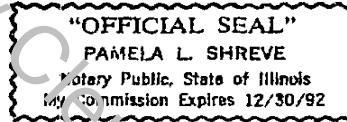
The foregoing instrument was acknowledged before me this 3rd day of January, 1990, by DON MICHAEL DESMOND AND LINDA DIANE DESMOND, his wife

[Signature: Pamela L Shreve]
Notary Public

My Commission Expires: 12-30-92

This instrument prepared by:

Ford Consumer Finance Co., Inc.
11311 Cornell Park Drive
Cincinnati, Ohio 45242
kcm



Page 14

90005712

12. GOVERNING LAW; SEVERABILITY. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Mortgage. 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 "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

11. NOTICES. Except for any notice required under applicable law to be given 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 delivering it to, or by mailing such notice by registered or certified mail addressed to Borrower, his successors, heirs, legatees, devisees and assigns at the Property Address or at such other address as Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) may designate by written notice to Lender as provided herein; and (b) any notice to Lender shall be given by registered or certified mail to Lender at Cincinnati, Ohio or to such other address as Lender may designate by written notice to Borrower (or to Borrower's successors, heirs, legatees, devisees and assigns) which have been given on the date and delivery of their existence and address as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given on the date and delivery of its actual mailing or the date of its deposit in the U.S. mail system as registered or certified mail addressed as provided in this paragraph 11.

10. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors, heirs, legatees, devisees and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower (or of Borrower's successors, heirs, legatees, devisees and assigns) shall be jointly and severally binding on Borrower and any other person who signs this Mortgage, but does not excuse the Agreement. (a) in co-signing this Mortgage only to the extent of the interest in the Property under the lien and terms of this Mortgage and to release homestead rights, if any; (b) is not personally liable on the Agreement or on this Mortgage; and (c) agrees that Lender 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 Agreement without the consent and without releasing that Borrower or modifying this Mortgage.

9. BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER. Extension of the time to payment, acceptance by Lender of payments other than according to the terms of the Agreement, modification in payment terms or under the Agreement, or failure to exercise any right granted hereunder, shall not operate to release, in any manner, the liability of the original Borrower, Borrower's successors in interest, or any guarantor or surety thereof. Lender shall not be required to commence proceedings against such successors or to release or forbear to exercise any right to payment or otherwise modify payment terms of this Mortgage by reason of any default made by the original Borrower and Borrower's successors in interest. Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender. 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 procedure of insurance or the payment of taxes, other liens or charges by Lender shall not be a waiver of Lender's rights 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 Agreement.

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 Lender, 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. Lender is hereby irrevocably authorized to apply or release such monies received or make settlement for such monies 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 Lender's prior written approval.

7. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that, except in an emergency, Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property. Lender may incur any expense or take any action hereunder and any action taken shall not release Borrower from any obligation in this Mortgage. Amounts shall be payable upon notice from Lender to Borrower requesting payment therefor. Nothing contained in this paragraph shall require Lender to become an additional insured under the Mortgage secured by this Mortgage. Unless Borrower and Lender agree, in writing, to other terms of payment, such amounts shall be paid to Lender, 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. Lender is hereby irrevocably authorized to apply or release such monies received or make settlement for such monies in the same manner and with the same effect as provided in this Mortgage for disposition or settlement of proceeds of Hazard Insurance.

6. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Mortgage or in the Agreement or if any action or proceeding is commenced which affects Lender's interest in the Property or the rights or powers of Lender, then Lender 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, disburse such sums as, including reasonable attorneys' fees, and take such action as Lender deems necessary to protect the security of this Mortgage. If Lender has required mortgage insurance 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 written agreement or applicable law.

5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Borrower shall use, improve and maintain the Property in conformity with applicable laws, rules, regulations, 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 or deterioration of the Property, and shall fully and promptly comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall promptly perform all of Borrower's obligations under the declaration or covenants creating, governing, maintaining or regulating the condominium or a planned unit development, the by-laws and regulations of the condominium or a planned unit development, and shall comply with all amendments, rules, regulations, orders, requirements, decrees or regulations which may be adopted or amended from time to time. If a such condominium or a planned unit development is executed by Borrower and supplemented with the covenants and agreements of this Mortgage as if the rider were a part hereof.

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 Lender may require. Borrower shall maintain Hazard Insurance for the entire term of the Note or such other period as Lender 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 amount be less than the amount necessary to satisfy the consuriance requirement contained in the insurance policy.

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, liens and impositions attributable to the Property and all encumbrances, charges, loans and liens (other than any prior mortgages or deed of trust) on the Property which may attach any priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall deliver to Lender, upon its request, receipts evidencing such payment.

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

1. The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals therefor shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender 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, 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, liens and impositions attributable to the Property and all encumbrances, charges, loans and liens (other than any prior mortgages or deed of trust) on the Property which may attach any priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall deliver to Lender, upon its request, receipts evidencing such payment.

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 Lender under any hazard insurance policy may, at Lender's sole discretion, either be applied to the indebtedness secured by this Mortgage and in such order as Lender may determine or be released to Borrower for use in repairing or reconstructing the Property, and Lender 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 any other act done pursuant to such notice.

If the mortgage carrier offers to settle a claim for insurance benefits, Lender is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds either to restoration or repair of the property or to the sums secured by this Mortgage. If the Property is acquired by Lender's sole option either to restoration or repair of the property and in and to the proceeds thereof resulting from damage to the Property prior to such sale or acquisition shall become the property of Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Borrower shall promptly supply copies of such notice to Lender within ten (10) calendar days after issuance. If policies and renewals are held by any other person, Borrower shall promptly supply copies of such notice to Lender within ten (10) calendar days after issuance. If policies and renewals are held by any other person, Borrower shall promptly supply copies of such notice to Lender within ten (10) calendar days after issuance. If policies and renewals are held by any other person, Borrower shall promptly supply copies of such notice to Lender within ten (10) calendar days after issuance.

30005712

23. ACTUAL KNOWLEDGE: For purposes of this Mortgage and the Agreement, Lender will not be deemed to have received actual knowledge of the information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at [redacted] or such other address specified by Lender to Borrower. Such date shall be conclusively determined by reference to the return receipt in possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamped on such written notice of Lender or Lender's agent. With regard to other events or information not provided by Borrower under the Agreement, Lender will be deemed to have actual knowledge of such event or information as of the date Lender receives a written notice of such event or information from a source Lender reasonably believes to be reliable, including but not limited to, a court or other governmental agency, institutional lender, or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent.

22. TIME OF ESSENCE: Time is of the essence in this Mortgage and the Agreement.
21. INCORPORATION OF TERMS: All of the terms, conditions and provisions of the Agreement are hereby incorporated herein as if set forth in full. Any Event of Default under the Agreement shall constitute an Event of Default hereunder without further notice to Borrower.

as set forth on page one of the Mortgage.
20. REQUEST FOR NOTICES: Borrower requests that copies of any notice of default be addressed to Borrower and sent to the Property Address, Lender and void and Lender shall release this Mortgage, Borrower shall pay all cost of recordation, if any.

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 Lender shall release this Mortgage, Borrower shall pay all cost of recordation, if any.
 Lender and the receiver shall be deemed to have received actual knowledge of the information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at [redacted] or such other address specified by Lender to Borrower. Such date shall be conclusively determined by reference to the return receipt in possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamped on such written notice of Lender or Lender's agent. With regard to other events or information not provided by Borrower under the Agreement, Lender will be deemed to have actual knowledge of such event or information as of the date Lender receives a written notice of such event or information from a source Lender reasonably believes to be reliable, including but not limited to, a court or other governmental agency, institutional lender, or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent.

18. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION: As additional security hereunder, Borrower hereby assigns to Lender 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: Upon the existence of an Event of Default, Lender 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 remedy permitted by applicable law. Lender 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 an alternative to declaring all sums secured by this Mortgage to be immediately due and payable, Lender may waive its option to accelerate and agree in writing, prior to close of the sale or transfer or the promise to sell, or transfer, to the transferee's assumption of the outstanding obligation under the agreement on terms satisfactory to Lender, subject to Lender's right, described in the Agreement, to cancel further advances or accelerate the outstanding balance of the line of credit. Lender's acceptance of the transferee's assumption of the obligation under the agreement shall not release Borrower from any of its obligations under the Agreement and Mortgage, and Borrower shall assume the status of the guarantor of the Agreement until paid in full. Borrower understands that Lender will not permit the assumption of the outstanding balance due to be immediately due and payable (see paragraph 17 hereof), unless (i) Borrower has submitted to Lender a written acknowledgment from the transferee that the transferee has received (a) a copy of the Agreement and Mortgage, and (b) notice of the amount of Borrower's outstanding principal balance on the line of credit; (ii) Borrower has submitted to Lender a written acknowledgment from the transferee that Lender's security interest reflected by this Mortgage will remain on the Property until the entire outstanding principal balance of Borrower's line of credit as of the date of such sale or transfer or promise, plus any subsequent borrowings made pursuant to this Mortgage, is paid in full; (iii) Lender so that Lender may evaluate the creditworthiness of the transferee as if a new loan were being made; and (iv) Lender does not, in its sole opinion, believe that (A) its security will be impaired or (B) a breach of any promise or agreement in this Mortgage will occur or (C) such transfer will be null and void. Lender shall have priority in right of payment over the indebtedness evidenced by the Agreement and Lender. The transferee and Borrower shall retain the right to pay the Agreement before the Due Date, in whole or in part, at any time without premium or penalty.

16. TRANSFER OF THE PROPERTY: If the Borrower, or beneficiary of a 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 leases 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 assignment, assignment or interest in the Trust, if any, 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 any other event which results in the sale or transfer of the Property, or any direct or indirect interest therein, or amendment, termination or expiration of any ground leases affecting the Property, shall constitute a separate Event of Default.

Use or attempted use by Borrower of the revolving line of credit evidenced by the Agreement after Borrower's sale, transfer, or promise to sell or transfer the Property or any direct or indirect interest therein, or amendment, termination or expiration of any ground leases affecting the Property, shall constitute a separate Event of Default. Failure to pay such indebtedness within thirty (30) days after notice to Borrower of such acceleration shall constitute an Event of Default. Any use of the revolving line of credit evidenced by the Agreement after Borrower's sale, transfer, or promise to sell or transfer the Property or any direct or indirect interest therein, or amendment, termination or expiration of any ground leases affecting the Property, shall constitute a separate Event of Default.

15. EVENTS OF DEFAULT: An Event of Default will occur hereunder upon the expiration of the applicable grace period, if any, after Lender gives written notice to Borrower of Borrower's breach or violation of the Agreement and upon Borrower's failure to cure such breach or violation. A Notice and Grace Period will apply to Borrower's failure to cure such breach or violation. 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. 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.

The events are: (1) Borrower fails to pay when due any amount due under the Agreement or this Mortgage (thirty (30) day grace period); (2) Borrower fails to keep the covenants and other promises made in the Agreement (no grace period); (3) Lender receives actual knowledge that Borrower omitted material information in Borrower's credit application (no grace period) or made any false or misleading statement 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 the Agreement (no grace period), or (ii) is a signatory of the Agreement if such transfer in Lender's reasonable judgment, materially impairs the security for the line of credit described in the Agreement (no grace period); (5) Borrower files for bankruptcy or bankruptcy proceedings are instituted against Borrower and not dismissed within sixty (60) calendar days, under any provision of any state or federal bankruptcy law; (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 or charge or encumbrance against the Property (thirty (30) day grace period) in which to remove the lien, claim or lien or encumbrance; (8) Borrower defaults or is alleged to be defaulting on 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 Agreement or whose lien has or appears to have any priority over the line of credit (no grace period); or any other event, condition, occurrence or circumstance which results in the acceleration of the revolving line of credit evidenced by the Agreement after Borrower's sale, transfer, or promise to sell or transfer the Property or any direct or indirect interest therein, or amendment, termination or expiration of any ground leases affecting the Property, shall constitute a separate Event of Default.

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

13. BORROWER'S COPY: Borrower shall be furnished a conformed copy of the Agreement and of this Mortgage at the time of execution or after recordation hereof.

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