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MORTGAGE

This Mortgage is made this 25th day of March, 1994, between the Mortgagor, William Luera ("Borrower"), and the Mortgagee, CARLOS GARCIA, JR., whose address is 4826 South Damen Avenue, Chicago, Illinois 60609 ("Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of twenty-one thousand four hundred eighty-two and no/100 dollars (\$21,482.00), or so much of that sum as may be advanced pursuant to the obligation of Lender (whichever is lesser), and evidenced by Borrower's Note, providing for monthly payments of principal and/or interest and, with the balance of the indebtedness, if not sooner paid, due and payable on October 1, 1997, at an interest rate of ten percent (10.0%).

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note (including, but not limited to, such obligatory future advances ("Future Advances") as are described in Paragraph 18 hereof), 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 herein contained, Borrower does hereby mortgage, grant unto Lender an interest in the property legally described in the attached Exhibit "A" located in the County of Cook, State of Illinois, which has the address of 5650 South Western Avenue, Chicago, Illinois ("Property Address").

TOGETHER, with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights, 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 herein referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, with the exception of those items, if any, listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property, and that Borrower will warrant and defend generally the title to the property against all claims and demands, subject to any encumbrances, declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower and Lender covenant and agree as follows:

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1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due without set-off, recoupment, or deduction, the principal of and interest on the indebtedness evidenced by the Note, and late charges as provided in the Note, including the principal and interest on any Future Advances secured by this Mortgage.

2. APPLICATION OF PAYMENTS. All payments received by Lender under the Note and Paragraph 1 hereof shall be applied by Lender first in payment of interest due on the Note, then to the principal of the Note, including any amounts considered added thereto under the terms hereof.

3. CHARGES; LIENS. Borrower shall promptly pay all obligations secured by a mortgage or trust deed affecting the Property, taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, when due. Borrower shall promptly furnish to Lender all notices of amounts due under the paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage with respect to any sum, including but not limited to, Future Advances.

4. HAZARD INSURANCE. Borrower shall 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 as Lender may require and in such amounts and for such periods as Lender may require; provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage and all other Mortgages and Trust Deeds with respect to the Property.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonable withheld. All premiums on insurance policies shall be paid by Borrower when due.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and the Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. 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.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the

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Property damaged, provided such restoration or repair is economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1 hereof or change the amount of such installments. If under Paragraph 16 hereof the Property is acquired by Lender, 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 the sale or acquisition shall pass to Lender 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 keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall 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 perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the By-Laws and Regulations of the condominium or planned unit development, and constituent documents. If a Condominium or Planned Development Rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such Rider 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 LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or any mortgage or trust deed affecting the Property, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.

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Any amounts disbursed by Lender pursuant to this Paragraph 6 with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be considered as so much additional principal due under the Note payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, providing that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender'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 Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1 hereof or change the amount of such installments.

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9. **BORROWER NOT RELEASED.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time or payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. **FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. **REMEDIES CUMULATIVE.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. 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.

13. **NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

14. **GOVERNING LAW; SEVERABILITY.** This Mortgage shall be governed by the laws of Illinois. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the

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Mortgage and the Note are declared to be severable. Time is of the essence of this Agreement.

15. **TRANSFER OF THE PROPERTY; ASSUMPTION.** If all or any part of the Property, or a legal or beneficial interest therein, is sold, assigned or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a purchase money security interest for household appliances, or (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant, Lender may, at Lender's option, and without notice to Borrower declare all the sums secured by this Mortgage to be immediately due and payable. Lender is hereby subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the proceeds of the loan hereby secured.

16. **ACCELERATION; REMEDIES.** Upon Borrower's default in the performance of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender may at its option, and without notice to Borrower, declare due and payable all sums secured by this Mortgage, and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect after default, all estimated and actual expenses incurred by reason of said default, including, but not limited to, reasonable attorneys' fees, and costs of documentary evidence, abstracts, and title reports.

17. **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 Borrower shall, prior to acceleration under Paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 16 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, Lender, in person, by agent or by judicially-appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and the collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

18. **FUTURE ADVANCES.** The Holder of the Note secured by this Mortgage is obligated to make advances of principal as requested from time to time for a period of three (3) years from the date of the Note, unless the amount requested when added to the then outstanding principal balance would exceed the Maximum Amount, or there shall then exist a default under the terms of the Note or

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Mortgage, or there shall exist a federal, state, or local statute, law, or ordinance, or a decision by any tribunal which (in the reasonable opinion of the Holder of the Note) adversely affects the priority or validity of the Note or this Mortgage, or the Borrower shall no longer own the Property, or the Borrower is involved in bankruptcy or insolvency proceedings. At no time shall the principal amount of indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the Maximum Amount.

19. **RELEASE.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

20. **WAIIVER OF HOMESTEAD.** Borrower hereby waives all right of homestead exemption in the Property.

IN WITNESS HEREOF, Borrower has executed this Mortgage.

WILLIAM LUERA

William Luera

COOK COUNTY, ILLINOIS
PUBLIC NOTARY

STATE OF ILLINOIS)
COUNTY OF COOK)

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SS.

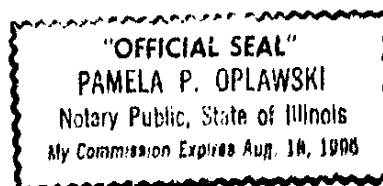
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I, the undersigned, a Notary Public in and for said county and state, do hereby certify that William Luera, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 25th day of March, 1994.

Pamela P. Oplawski
Notary Public

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EXHIBIT A

LOT 5 IN BLOCK 1 IN COBE AND MCKINNON'S GAGE PARK, A
SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTH 1/2 OF THE
NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 13,
TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL
MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 19-13-211-036

ADDRESS: 3650 SOUTH WESTERN AVENUE
CHICAGO, ILLINOIS

BOX 333-CTI

This document was prepared by: Mary A. Mulhern
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