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4. **Hazard Insurance.** Borrower shall own the improvements now existing or hereafter erected on the Property insured against loss by fire, lightning included within the policy 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 the amount of coverage required to pay the sums assured by this Mortgage and (any other mortgage on 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 unreasonably withheld. All premiums on insurance policies shall be paid in a timely manner.

All insurance policies and renewals thereof shall be term acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Upon request of Lender, 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.

PROHIBITED

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of Property damaged, provided such repair, reconstruction or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible, the security of this Mortgage shall be impaired. The insurance proceeds shall be applied in the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, (1) 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 any payments due under the Agreement or change the amount of such payments. If under paragraph 17 hereof the Property is acquired by Lender or any 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 date of acquisition shall pass to Lender. In the event of the sums secured by this Mortgage immediately prior to such date of acquisition.

5. **Preservation and Maintenance of Property.** Licensable Condominiums, Planned Unit Developments. Borrower shall keep the Property in good repair and shall not permit same to be in a state of deterioration or disrepair and shall comply with the provisions of any deed of this Mortgage and a declaration of covenants, conditions and restrictions in connection with the development. Borrower shall perform all of Borrower's obligations under the declaration to covenants, conditions and restrictions of the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development and contribute to such and if a declaration of covenants and restrictions or bylaws and regulations are amended together with this Mortgage, the covenants and restrictions of such deed shall be incorporated into and shall amend and supplement the covenants and restrictions of this Mortgage as if the deed were a part hereof.

6. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage or if any action or proceeding is commenced in which material effect is given to the interest in the Property, Borrower shall not be bound by any proceeding brought by or on behalf of a prior mortgagee, eminent domain, involuntary sale proceedings, or proceedings involving a bankruptcy or receivership, then Lender or Lender's agent upon notice to Borrower may make such a sale or other action as is necessary to protect Lender's interest in the Property, including the right to discharge of reasonable attorney's fees and costs upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to the paragraph 6 with respect to such shall become absolute indebtedness of Borrower secured by this Mortgage. Unless Lender and Borrower agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower to satisfy payment thereof and shall bear interest from the date of disbursement at the rate stated above from time to time of outstanding principal under the Agreement. Nothing contained in this paragraph 6 shall require Lender to incur any expense to make any action hereunder.

7. **Inspection.** Lender may from time to time make reasonable entries upon and inspections of the Property, provided 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 damages (net of consequential) in connection with any condemnation or other taking of the Property or part hereof or the consequential loss of condemnation or benefits assigned and shall be paid to Lender in the event of a total or partial taking of the Property or part hereof or of consequential loss of condemnation are hereby assigned and shall be held by Lender in the event of a total or partial taking of the Property, the 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, (1) after notice by Lender to Borrower that the condemnation offers to make an award or 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 to Lender. (2) upon either 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 any payments due under the Agreement or change the amount of such payments.

9. **Borrower Not Released.** Extension of the time for payment or modification of any other term of the Agreement or this Mortgage granted by Lender or 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 successors or refuse to extend time for payment or otherwise modify any term of the Agreement or this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. **Participation by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy under the Agreement or hereunder or otherwise (including by application law) shall not be a waiver or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of or other acts or charges by Lender shall not be a waiver of Lender's prior right to accelerate the maturity of the agreement secured by this Mortgage.

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

12. **Successors and Assigns Bound, Joint and Several Liability, Capable.** 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 covenants and obligations of the obligors of this Mortgage are not severable and the right to be used to interpret or define the provisions thereof. The term interest as used herein shall mean and include all in the character under the Agreement.

13. **Notice.** Effect for any notice required under applicable law to be given in another manner: (a) any notice to Borrower provided for in this Mortgage may be given by mailing such notice by certified mail 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 therein.

14. **Governing Law; Severability.** This Mortgage shall be governed by the law of the State of Illinois. In the event that any provision or clause of this Mortgage or the agreement conflicts with applicable law, such conflict shall not affect other provisions of the Mortgage or the Agreement which can be given effect without the conflicting provision, and to this and the provisions of the Mortgage and this Agreement are declared to be severable.

15. **Borrower's Copy.** Borrower shall be furnished a confirmed copy of the Agreement and of this Mortgage at the time of execution or after a reasonable period.

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16. Revolving Credit Loan. This Mortgage is given to secure a revolving credit loan and shall not only presently existing indebtedness under the Agreement but also future advances, whether such advances are obligatory or to be made at the option of the Lender, or otherwise, as are made within 20 years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness secured hereby outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness secured hereby, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Property is located. The total amount of indebtedness secured hereby may increase or decrease from time to time, but the total unpaid balance of indebtedness secured hereby (including disbursements which the Lender may make under this Mortgage, the Agreement, or any other document with respect thereto) at any one time outstanding shall not exceed a maximum principal amount of \$ 35,000.00, plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Property and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Property, to the extent of the maximum amount secured hereby.

17. Termination and Acceleration. Lender at its option may terminate the availability of loans under the Agreement, declare all amounts owed by Borrower to Lender under the Agreement to be immediately due and payable, and enforce its rights under this Mortgage if (a) Borrower fails to make any payment due under the Agreement and secured by this Mortgage, (b) Borrower's actions or inactions adversely affects any of the Lender's security for the indebtedness secured by this Mortgage, or any right of the Lender in the Property or other security for the indebtedness secured by this Mortgage, or (c) any application or statement furnished by Borrower to the Lender is found to be materially false. The Lender's security shall be presumed to be adversely affected if (a) all or part of the Property or an interest therein is sold, transferred, encumbered, or conveyed by Borrower without Lender's prior written consent, excluding the creating of a lien or encumbrance subordinate to this Mortgage, (b) Borrower fails to comply with any covenant or agreement in this Mortgage or the Agreement. If it becomes necessary to foreclose this Mortgage by judicial proceeding, Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

18. Transfer of Ownership. If all or any part of the Property or any interest in it is sold or transferred (or if the title to the Property is held by an Illinois Land Trust, and a beneficial interest therein is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

19. Assignment of Rents; Appointment of Receiver; Lender in Possession. An additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower and, prior to acceleration under paragraph 17 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 17 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 collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's 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.

20. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

In Witness Whereof, Borrower has executed this Mortgage.

X Ricardo Zapata

RICARDO ZAPATA Borrower
Type or Print Name

X Carmella Zapata

CARMELLA ZAPATA Borrower
Type or Print Name

State of Illinois SS
County of COOK

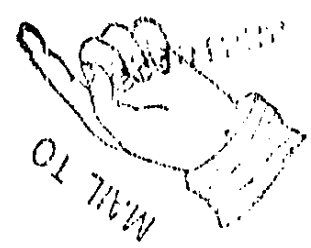
I, UNDERSIGNED Notary Public in and for said county and state, do hereby certify that

RICARDO ZAPATA AND CARMELLA ZAPATA, HIS WIFE, personally known to me to be the same persons, whose names ARE subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that T he Y signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein set forth. Given under my hand and notarial seal, this 10TH day of JANUARY, 19 95.

(SEAL)
My Commission Expires
OFFICIAL SEAL
DEBBIE GARD
Notary Public, State of Illinois
My Commission Expires 8/17/95

Debbie Gard Notary Public

Prepared by and return to: SHEILA TUCKER-LASALLE, NORTHWEST NATIONAL BANK
8303 W. HIGGINS RD., CHICAGO, ILLINOIS 60631



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#0530 # JM *-95-491538
COOK COUNTY RECORDER

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