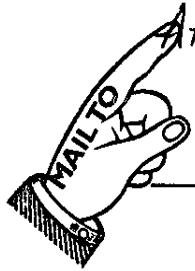




Prepared By:
Rock, Fusco & Garvey, Ltd.
350 North LaSalle Street -
Suite 900
Chicago, Illinois 60610

Mail to:
LIBERTY FEDERAL BANK
One Grant Square
Hinsdale, Illinois 60521

Attn: Patricia Webber



CONSTRUCTION LOAN AND SECURITY AGREEMENT

THIS AGREEMENT effective this 4th day of October 1999 by and between LIBERTY FEDERAL BANK hereinafter referred to as "Lender") and C & McC BUILDERS, INC., an Illinois corporation (hereinafter referred to as "Borrower").

SECTION I: RECITALS

PROFESSIONAL NATIONAL
TITLE NETWORK, INC.

1.1 Loan:

(a) Borrower has requested a Loan from Lender and Lender has agreed to loan to Borrower, the sum of ONE MILLION ONE HUNDRED THIRTY TWO THOUSAND AND NO/100THS DOLLARS (\$1,132,000.00) which sum hereinafter is referred to as the "Construction Loan" for the purpose of acquiring and constructing a six unit apartment building on the real estate legally described on Exhibit "A" attached hereto and made a part hereof ("the "Mortgaged Premises").

(b) Lender has agreed to lend to Borrower the Construction Loan, subject to the terms and conditions set out hereinbelow.

1.2 Purpose of Loan Agreement:

1.2(a) To evidence the payment of the indebtedness (including any extensions or renewals thereof) evidenced by a certain note of Borrower to Lender in the principal outstanding sum of ONE MILLION ONE HUNDRED THIRTY TWO THOUSAND AND NO/100 DOLLARS (\$1,132,000.00); and,

1.2(b) To evidence how and when disbursements of the proceeds of the construction Loan shall be made by Lender to Borrower; and,

1.2(c) The payment of all other sums with interest thereon becoming due and payable to Lender under the Loan and the provisions of any instrument constituting security for the Note; and

1.3 Description of Security: The payment of the Note is secured by a First Mortgage (the "Mortgage") executed by the Borrower, as Mortgagor, pertaining to the Mortgaged Premises described on Exhibit "A" attached hereto and made a part hereof, as well as certain other loan documents and security agreements executed by Borrower ("Loan Documents" or "Security Agreements"):

II

Loan

2.1(a) Description of Loan:

(i) The Construction Loan shall be an twelve (12) month loan term ("Construction Loan Term") with interest at the prime rate of interest, as described in the note bearing even date herewith (the "Note"), plus one percent, on the outstanding principal balance of the Loan. Commencing on the date of disbursement until November 1, 2000 (the "Construction Loan Maturity Date"), Borrower shall pay to Lender interest only in arrears on the outstanding principal balance. All outstanding principal and accrued and unpaid interest shall be due and payable, without notice, on November 1, 2000.

2.1(b) As part and parcel of the Loan and the loan commitment made to Borrower, Borrower shall also be liable and shall pay all of the Lender's out of pocket expenses, including, but not limited to, credit report, inspection fees, appraisal fee and reasonable legal expenses.

2.2 Prepayment: It is expressly understood that Borrower may prepay the Construction Loan, without premium or penalty, upon providing Lender with thirty (30) days prior written notice.

2.3 Use of Proceeds:

2.3(a) It is expressly understood between the parties that the Loan Proceeds shall be used for the purpose of paying off the existing land loan and constructing a six unit apartment building at the property commonly known as 1810-12 Armitage Avenue, Chicago, Illinois and and legally described in Exhibit "A" attached hereto and made a part hereof in accordance with the terms of the Sworn Owners/Contractors Statement attached hereto and made a part hereof as Exhibit "B". Disbursements of the Loan proceeds shall be made during the Construction Loan Term as provided herein, and shall be made directly to those parties listed on Exhibit "B" in amounts not

to exceed the amounts set forth on Exhibit "B", subject to the conditions set forth hereinafter.

Borrower acknowledges and agrees that Lender shall have no obligation to make any disbursements from the Loan to the Borrower unless and until Lender has received prior written confirmation from title company approved by lender that it is in receipt of executed lien waivers from the subcontractors and materialmen set forth on the Owners/Contractors Sworn Statement attached hereto and made a part hereof as Exhibit "B".

It is further expressly understood between the parties that for any sums not immediately disbursed to Borrower shall stay on deposit with Lender for future payments as delineated above.

2.4 Creation of Reserves. Prior to, or at the time of Loan Opening, Borrower shall pay, or have paid, Lender's attorneys fees, credit report fees, and appraisal fee. At the time of Loan Opening, Lender may set aside reserves ("Reserves") for any or all of the following to cover the actual or future estimated amounts thereof during the entire estimated term of the construction:

a. An amount as and for an interest reserve, miscellaneous expense reserve and construction of improvements to be disbursed at loan closing and held in a loan-in-process account at Lender in amounts to be determined from time to time by Lender.

2.5 Disbursement of Reserves. Lender (a) may at any time; and (b) shall at such times, as Borrower is not in default hereunder, or under the other Loan Documents and provided the Loan is, in Lender's sole determination, in balance, at the request of Borrower, disburse the Reserves, for the purpose for which they have theretofore been set aside, either by payment of items for which set aside, by reimbursement to Borrower for payments so made by Borrower, or by reducing the amount of the applicable reserve for payment of interest or real estate taxes.

As a condition precedent to each disbursement of the Loan Proceeds, Borrower shall furnish or cause to be furnished to title company approved by lender (the "Title Company") with copies to Lender at least five (5) business days before the disbursement the following documents or performances, as the case may be, covering each disbursement:

A. Borrower's disbursement request ("Request For Advance") specifying the amount of the requested disbursement (exclusive of interest) directing Lender to disburse such funds in accordance with this Agreement, and certifying to Lender, as of the date of the applicable request for disbursement, that:

- (i) the total amount of each request for disbursement (exclusive of interest) represents the actual amount payable to the Contractor and/or Subcontractors who have performed work on the Mortgaged Premises and other costs payable as provided for in the Contractor's Statement and indicating what payment requests, if any, have been received by Borrower from the contractors or the subcontractors but have not yet been approved by Borrower for payment;
- (ii) no default, or condition or event which with the giving of notice or passage of time, or both, would constitute an Event of Default, exists under this Agreement or the other Loan Documents;
- (iii) Borrower has received no notice and has no knowledge of any liens or claims of lien either filed or threatened against the Mortgaged Premises except the liens of Lender, those which are specifically identified in writing to Lender;
- (iv) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;
- (v) approval by Borrower of all work and materials for which a payment is then due and for which disbursement of the Loan is thereby requested;
- (vi) that all work and materials theretofore furnished for the Mortgaged Premises conform with the plans and specifications;
- (viii) Borrower's strict compliance with all terms and conditions of that certain Residential Construction Disbursement Agreement between Borrower, Lender and Title Company.

B. Borrower shall have complied with all of the other terms and conditions of the Loan Documents.

C. Endorsements to the Title Insurance Policy to cover the amount and date of the disbursement (whether into escrow or otherwise) insuring that the Mortgage is a valid first lien on the Mortgaged Premises subject only to Permitted Encumbrances. Those endorsements may be delivered to Lender concurrently with the disbursement of the Loan Proceeds which are the subject of those endorsements.

D. No disbursement for materials purchased by Borrower but not yet installed or incorporated into the Property shall be made without Lender's prior approval of the conditions under which such materials are purchased and stored.

2.6 Direct Payments. Lender may, in its discretion, make (or cause to the Title Company as escrowee to make) payments for the cost of construction of the improvements directly to any contractor, subcontractor, materialman, or to any vendor of fixtures and equipment. Prior to the Loan Opening, and from time to time thereafter, Lender or the Title Company may forward to any contractor and any or all subcontractors listed on the Owner's Sworn Statement a contract verification to confirm the terms and amount of the Construction Contracts. In the event of any discrepancy between the terms and amounts as shown by the Construction Contracts, the sworn statements, and the verifications, Lender may require, as a condition to further disbursements, that such discrepancies be eliminated to its satisfaction.

2.7 Application of Reserves in Case of Default. In case of an Event of Default hereunder or under the other Loan Documents, Lender may use and apply Reserves to cure such default, or to apply on account of any Indebtedness due and owing Lender.

III

Borrower's Representations

3.1 Borrower hereby represents, covenants and agrees with Lender as follows:

3.1(a) There are no present actions, suits or proceedings that would change its financial position.

3.1(b) Borrower is not aware of any restrictions, limitations or impediments (created by law or otherwise) which would in anyway prohibit the Borrower from carrying out the agreements to be kept and performed by it as set forth in this Agreement, in any of the Loan Documents or in connection with the completion of the construction of the Mortgaged Premises. This Agreement and the other Loan Documents and any other documents and instruments to be executed and delivered in connection therewith all constitute the duly authorized, valid and legally binding obligations of Borrower and will be enforceable strictly in accordance with their respective terms and applicable law.

3.1(c) There are no actions, suits or proceedings pending or threatened against or affecting the Mortgaged Premises before any Court or any governmental, administrative, regulatory, adjudicatory or arbitrational body or agency of any kind. Without limitation of

the foregoing, there are no pending or threatened proceedings or actions to revoke, attach, challenge the validity of, rescind or modify the present zoning of the Mortgaged Premises.

3.1(d) The Borrower has not received notice from any governmental or quasi-governmental body or agency or from any person or entity with respect to (and the Borrower does not know of) any actual or threatened taking of the Mortgaged Premises or any portion thereof, for any public or quasi-public purpose by the exercise of the right of condemnation or eminent domain.

3.1(e) To the best of Borrower's knowledge at the present time neither this Agreement nor any documents, certificate or statement required herein to be furnished or furnished to Lender by Borrower contains any untrue statement of a fact, or omits to state a fact material to this Agreement or to the Lender's decision to enter into this Agreement or the transaction contemplated hereunder.

3.1(f) All utility services necessary and sufficient for the intended use of the Mortgaged Premises are presently available for and adjacent and contiguous to or are in and upon the property, including water, sanitary sewer, storm drainage, electric (which shall be deemed sufficient upon issuance of certificates of occupancy for each completed unit) and telephone facilities. No easement or other rights over, under or across any land other than the Mortgaged Premises is required or useful in connection with such utility services, or if same are so required, such easements have been obtained and will be included in the definition of the Mortgaged Premises hereunder and subject to Lender's Mortgage.

3.1(g) There are no leases or agreements affecting the Mortgaged Premises, except those agreements directly relating to this Loan transaction, and except those leases listed in the Assignment of Rents and Leases of even date herewith.

3.1(h) Borrower will duly and punctually perform, observe and comply with all of the terms, provisions, conditions, covenants and agreements on their part to be performed, observed and complied with hereunder and under the Loan Documents and any other documents and instrument delivered by Borrower in connection herewith or pursuant hereto and will not suffer or permit any default or event of default to exist hereunder or thereunder.

3.1(i) The representations and warranties of Borrower as contained in this Agreement are true and complete as of the date hereof and shall remain true and complete as of the date of closing and during the term of the Loan, as may be extended, as though said representations and warranties were made at and as of such time, and this shall be a condition of Lender's obligation to disburse the Loan Proceeds.

3.1(j) All representations, warranties and agreements made herein or in any certificate or other document delivered to Lender by or on behalf of Borrower pursuant to or in connection with this Agreement shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or in its held, and shall survive the making of any or all of the disbursements contemplated hereby.

3.1(k) That the improvements will be constructed in a good and workmanlike manner with materials of high quality and in accordance with the approved plans and specifications and all applicable laws, ordinances and regulations. Borrower shall construct the improvements with due diligence. If Lender disapproves any portion of the construction on the Property, Borrower shall, within thirty (30) days after such disapproval, commence to correct the condition so disapproved, and thereafter will diligently complete such correction. Borrower agrees that all materials contracted for or purchased for construction on the Property and all labor hired or contracted for with respect to construction on the Property and paid for with Loan Proceeds will be used and employed solely on the Property and for no other purpose.

3.1(l) That no material changes will be made in the plans and specifications except upon the written approval of Lender.

3.1(m) That no substantial extras other than those which are usual and customary shall be allowed to any contractor or subcontractor or material change made in any construction contracts without the Lender's prior written approval and consent and that Borrower will furnish Lender, promptly after execution thereof, executed copies of all construction contracts, which were not furnished at the time of the Loan Opening and that said contracts shall be subject to Lender's approval as to form and content.

3.1(n) That Borrower shall cooperate with Lender in arranging for inspection by Lender or any appraiser, or other representative designated by Lender of the progress of construction from time to time.

3.1(o) That it will not suffer or permit any mechanics' lien claims to be filed or otherwise asserted against the Mortgaged Premises or any funds due the contractor and will promptly discharge the same in case of the filing of any claims for lien or proceedings for the enforcement thereof provided, however, that Borrower shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claim upon furnishing to the Title Company such security or indemnity as it may require to induce said Title Company to issue its interim certification or its Mortgage Title Insurance Policy insuring against all such claims or liens.

3.1(p) Borrower will comply with all restrictive covenants affecting the Mortgaged Premises. Borrower will not record or permit to be recorded any document, instrument, agreement or other writing against the Mortgaged Premises without the prior written consent of Lender or as otherwise permitted hereunder or under the other Loan Documents.

3.1(q) All governmental permits and licenses required by applicable law to construct, occupy and operate the Property have been issued and are in full force;

3.1(r) The storm and sanitary sewage disposal system, water system and all mechanical systems of the Property when constructed will comply with all applicable environmental, pollution control and ecological laws, ordinances, rules and regulations, and the applicable environmental protection agency, pollution control board and/or other governmental agencies having jurisdiction of the Property have issued their permits for the construction, tap-on and operation of those systems;

3.1(s) When completed, there will not be an encroachment upon any building line, set back line, side yard line, or any recorded or visible easement for other easement of which Borrower is aware or have reason to believe may exist) which exists with respect to the Mortgaged Premises;

3.1(t) Borrower is and will be the lawful owner of all Mortgaged Premises, free of any and all liens and claims whatsoever, other than the security interest hereunder and the lien of the Mortgage, with full power to subject the Mortgaged Premises to the security interest hereunder;

3.1(u) All information furnished to Lender concerning the Mortgaged Premises and financial affairs of Borrower, and all other written information heretofore or hereafter furnished by Borrower to Lender, is and will be true and correct;

3.1(v) The Borrowers do not have any contingent liabilities not disclosed by said financial statements, and at the present time there are no unrealized or anticipated losses from any commitments or obligations of Borrower;

3.2 Borrower shall indemnify and hold the Lender harmless from any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, decrees, costs and expenses (including reasonable attorney's fees), arising directly or indirectly, in whole or in part, out of the acts and omissions whether negligent, willful or otherwise, of Borrower, or any of its officers, directors, agents, subagents, employees, contractors and subcontractors in connection with the Mortgaged premises, the Loan and the Loan Documents including but not limited to any claims,

demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, decrees, costs and expenses (including reasonable attorneys fees) relating to any warranty (expressed, implied or otherwise) of habitability or warranty of fitness regarding the construction on the Mortgaged Premises or as a result of (a) ownership of the Mortgaged Premises or any interest therein or receipt of any rent or other sum therefrom, (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Mortgaged Premises or any part thereof or on the adjoining sidewalks, curbs, vaults and vault space, if any, adjacent parking areas, streets or ways, (c) any use, non-use or condition of the Mortgaged Premises or any part thereof or the adjoining sidewalks, curbs, the adjacent parking areas, streets or ways, (d) any failure on the part of the Borrower to perform or comply with any of the terms of the Loan Documents, or (e) the performance of any labor or services or the furnishing of any materials or other property with respect to the Mortgaged Premises or any part thereof.

IV

ADDITIONAL CONDITIONS TO LOAN CLOSING

4.1 Borrower agrees to and shall pay all fees and charges now or hereafter connected with and relating to this Loan, including without limitation the fees and disbursements of Lender's counsel now or hereafter required to be expended by Lender, including without limitation the charges and assessments of governmental bodies that may be assessed in connection with Loan Documents and the costs and expenses of Lender in the implementation of the provisions of the Loan Documents. All of the foregoing fees, costs and charges Borrower expressly represents is its obligation and not the obligation of the Lender and may be advanced by the Lender from the Loan proceeds simultaneously with the execution of the Loan Documents notwithstanding the provisions of Section 5.1 or any other provisions of this Agreement to the contrary.

4.2 Any future financing statements made in accordance with the Illinois Uniform Commercial Code shall be recorded, which shall reflect a security interest in the furniture, furnishings, fixtures and equipment now or hereafter located in or upon the Mortgaged Premises and on all contract rights which may now or hereafter be a charge upon, arise out of or result from all or any portion of the Mortgaged Premises and the rents, issues, profits, results and proceeds resulting therefrom, and all licenses or permits appurtenant to said Mortgaged Premises and all leases which may now or hereafter encumber all or any of the Mortgaged Premises, together with all results and proceeds therefrom.

4.3 As a condition to the initial disbursement of funds under this Agreement, there shall be delivered to Lender or Lender's counsel for Lender's approval, properly executed copies of the Loan Documents, as well as the instruments and documents below enumerated and there shall have been compliance and performance with the applicable provisions set forth below. Any of the below enumerated provisions, may now or hereafter be modified, amended, substituted, released or waived in whole or in part by mutual written agreement of the parties.

4.3(a) Prepaid Mortgagee's Policy of Title Insurance, in form and substance as approved by Lender's counsel, insuring in the amount of the Loan and the Lender's interest in the Mortgaged Premises. The policy shall reflect that the mortgagee in favor of the Lender shall be a first lien mortgage, further, the policy shall reflect that fee simple title to the Mortgaged Premises is vested in Borrower. All standard exceptions, including the survey and mechanics lien exceptions, except those permitted by Lender, shall be deleted from the policy.

4.3(b) A sworn Affidavit(s) from Borrower reflecting that no Mechanic or Materialmen's Liens are threatened or pending against the Mortgaged Premises.

4.3(c) (1) Evidence that such hazard, liability and flood insurance as Lender may require, as set forth below, together with evidence that the premiums therefore have been paid.

(2) A policy or policies of comprehensive liability insurance obtained by Borrower covering the Mortgaged Premises, with liability under the comprehensive liability insurance to be not less than \$2,000,000.00 with amounts, terms and companies approved by first Mortgage Lender, to protect Lender and Borrower against liability incident to the use of, or resulting from any accident occurring on or about the Mortgaged Premises or relating to any construction thereon, and such other insurance as may be required by the terms of the Lender's Mortgage. Said policies shall be in such amounts as approved by Lender and shall have premiums prepaid and shall name Lender as an additional insured. Such insurance policies shall be with companies, with coverage and in amounts and shall contain a mortgagee's loss payable clause, all satisfactory to Lender, and each such policy shall provide that the same may not be canceled or amended by any party for any reason whatsoever without first giving Lender at least thirty (30) days prior written notice of any proposed cancellation or amendment.

(3) Insurance policies covering the Mortgaged Premises naming Lender as insured with issuing companies, coverages and amounts satisfactory to Lender insuring the Mortgaged Premises against loss or damage by fire when improved or such other hazards as may be reasonable requested by Lender, including, but not

limited to, extended coverage, vandalism, malicious mischief, together with insurance against flood if required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder. Each policy shall contain a mortgagee clause satisfactory to Lender and provided that the policy may not be canceled by any party for any reason whatsoever without giving the Lender at least thirty (30) days prior written notice of any proposed cancellation.

4.3(d) Execution and delivery to Lender, in form and substance as approved by Lender's counsel, of the Note and Loan Documents by the Borrowers as required by said documents, including cross-collateralizing of the Note, Mortgage on real property and security interest in any personal property.

4.3(e) Evidence that there are no prohibitions, limitations or moratoriums now in effect, threatened or pending by any governmental agency or regulatory body having jurisdiction over the Mortgaged Premises that would in any way limit or prohibit the present and intended use of the Mortgaged Premises.

4.3(f) Delivery of such other documentation as counsel for Lender may require, consistent with normal lending practices.

v

Default

5.1 The happening of any of the following events shall constitute a default on the part of the Borrower hereunder:

5.1(a) During the terms of the Loan, as may be extended, if Borrower fails to comply with or otherwise becomes in breach or default of any of the terms, covenants and agreements contained in this Loan Agreement to be kept and performed by Borrower.

5.1(b) If Borrower should breach or otherwise become in default of the Note described herein or the Mortgage securing same or any other of the Loan Documents of which the Borrower is a party thereto.

5.1(c) If at any time, during the term of the Loan, should a material representation or warranty made by Borrower in this Loan Agreement be incorrect.

5.1(d) If a lien for the performance of work or materials supplied be filed against the Mortgaged Premises described at Exhibit "A" encumbered by Lender's mortgage and is not satisfied or removed from said Mortgaged Premises by bond or otherwise within a period of sixty (60) days after the filing thereof.

5.1(e) If any claim or action be brought against the Lender arising out of this transaction by any person (natural or otherwise) and indemnification therefrom, in form and substance satisfactory to Lender or its counsel, is not furnished to Lender within sixty (60) days from the date of notice of or service upon Lender of such claim or action.

5.1(f) The filing of a new proceeding in bankruptcy by or against Borrower, initiation of insolvency proceedings by or against Borrower, if Borrower makes an assignment for the benefit of Borrower's creditors, or if a trustee or receiver is appointed in any Court of competent jurisdiction to take charge of any of Borrower's assets or the Mortgaged Premises.

5.1(g) Failure to comply with the requirements of any governmental or municipal authorities having jurisdiction over the Mortgaged Premises encumbered by Lender's mortgage within thirty (30) days after the notice in writing of such requirements has been given.

5.1(h) If Borrower encumbers, transfers or conveys the Mortgaged Premises identified at Exhibit "A", or any part thereof, without the prior written consent of Lender.

5.1(i) Should Borrower fails to comply within the time provided in their agreements to be kept and performed by it, as herein set forth.

5.1(j) If proceedings are threatened or commenced by any public or quasi-public body to acquire the Mortgaged Premises described at Exhibit "A" or any interest therein or part thereof (other than a part which, in Lender's reasonable judgment, is immaterial, or a dedication of utilities or roads) by eminent domain or condemnation proceedings and such commenced proceedings are not dismissed within thirty (30) days or, in the case of threatened proceedings, such threat is not eliminated, to Lender's reasonable satisfaction, within sixty (60) days.

5.2 Borrower agrees to pay any reasonable costs or expenses incurred or expended by Lender, including without limitation attorney's fees, in the exercise of the rights or remedies granted Lender under the and pursuant to this Loan Agreement, the Note and the Loan Documents whether suit is filed or not filed.

5.3 Upon the happening of any default under this Agreement, Lender shall have the right, without notice to Borrower does any or all of the following:

5.3(a) Declare the Note in default, and the Note shall thereupon become immediately due and payable in its entirety notwithstanding the tenor thereof, without presentment, demand, protest or notice of any kind, all of which are expressly waived, anything contained herein or in the Note to the contrary notwithstanding.

5.3(b) Terminate the Lender's obligations under this Agreement to extend credit of any kind or to make any disbursement, whereupon the commitment and obligations of Lender to extend credit or to make disbursements hereunder shall be terminated.

5.3(c) Exercise all rights or remedies under the Mortgage, and all of the other Loan Documents given by Borrower to Lender to secure the indebtedness then owing by the Borrower to the Lender.

5.3(d) Enter upon and take possession of the Mortgaged Premises described at Exhibit "A", and all material, equipment and supplies thereon and therein, and do anything necessary or desirable to fulfill the obligations of Borrower hereunder, and to sell, manage, maintain, repair and protect the Mortgaged Premises. Without restricting the generality of the foregoing and for the purposes aforesaid, Borrower hereby appoints and constitutes Lender its lawful attorney-in-fact with full power of substitution (i) to pay, settle or compromise all existing bills and claims which may be liens or security interests, or to avoid such bills and claims becoming liens or security interests against the Mortgaged Premises or any fixtures or equipment thereon, or as may be necessary or desirable for the clearance of title or otherwise, (ii) to execute all applications and certificates in the name of the Borrower which may be required to carry out the intent and purpose hereof, (iii) to employ such contractors, subcontractors, architects and others as Lender may deem appropriate and/or to avail itself or and procure performance of existing prime contracts and subcontracts in the name of Borrower or, at its election, on its own behalf, (iv) to do any and every act which the Borrower might do in their own behalf, including, without limitation, to enter into contracts for the sale or lease of, and to sell or lease and convey title to the Mortgaged Premises or any portion thereof, and Borrower agrees to execute and deliver such deeds and other instruments of this Section, to prosecute or defend any and all actions or proceedings involving the Mortgaged Premises or any fixtures, equipment or other installations thereon, it being understood and agreed that this Power of Attorney shall be a power coupled with an interest and cannot be revoked. The Lender and its designees, representatives, agents, licensees and contractors shall be entitled to the entry, possession and use contemplated herein without the consent of any party and without any legal process or other condition precedent whatsoever. The Borrower acknowledges

that any denial of such entry, possession and use by the Lender will cause irreparable injury and damage to the Lender.

VI

Miscellaneous

6.1 All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or deposited for mailing by certified mail to any party hereto at its address below stated, or at such other address of which it will have notified the party given notice in writing.

6.2 Neither this Loan Agreement, nor any provision hereunder, may be changed, waived, discharged or terminated orally, except by an instrument in writing, duly executed by the parties.

6.3 Lender, or its representative, shall at reasonable times subject to rights of existing tenants, if any, be permitted to enter upon the Mortgaged Premises encumbered by the Mortgage for the purpose of inspecting the Mortgaged Premises. All leases and financial books and records relating to the Mortgaged Premises encumbered by the Mortgage shall be kept and maintained at the office of the Borrower and the Lender, or its representative, shall have reasonable rights to inspect and copy same during the term of this Loan.

6.4 All rights acquired by Lender under this Loan Agreement and all of the other agreements given by the Borrower to secure the payment of the indebtedness nor or that may hereafter become due Lender are cumulative. In connection with the foregoing, Lender may exercise all or any such rights separately or concurrently. Lender may also elect not to exercise such rights or any of them and nothing herein shall be construed as obligating Lender to exercise any such rights nor shall the exercise of any such right or rights be deemed as an election of rights and remedies. No failure by the Lender to exercise, or delay by the Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any right or remedy provided by law. No notice or demand on Borrower in any case shall, in itself, entitle Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the lender to any other or further action in any circumstances without notice or demand.

6.5 The parties to whom notice shall be provided are as follows:

TO LENDER: LIBERTY FEDERAL BANK
One Grant Square
Hinsdale, Illinois 60521
ATTN: Donald Berg, Vice-President

TO BORROWER: C & McC BUILDERS, INC.
Attn: FINTAN P. McCARTHY
MATTHEW G. COLLINS
9901 S. St. Louis
Evergreen Park, Illinois 60805

6.6 Borrower hereby agrees to indemnify Lender against any and all liability, damages, penalties, loss or expense, including reasonable attorney's fees, which may be suffered, incurred or expended by Lender by reason of breach or failure of any of Borrower's warranties, representations or agreements as set forth in this Loan Agreement or the Loan Documents.

6.7 Should a Court of competent jurisdiction declare any of the terms, covenants, conditions, and provisions of this Agreement to be void or unenforceable, then and in such event, all of the other terms, covenants, conditions and provisions of this Loan Agreement shall be and remain in full force and effect. Wherever the provisions of this Agreement vary from or are in conflict with the terms or conditions contained in the Loan Commitment or any of the other Loan Documents, the provisions of such Loan Document(s) other than this Loan Agreement shall supersede, govern and prevail.

6.11 Lender may assign, negotiate, pledge or otherwise hypothecate all or any portion of this Agreement or grant participation herein, or in any of its rights and security hereunder, including, without limitation, the Note and Mortgage, and in case of such assignment, Borrower will accord full recognition thereto and agrees that all rights and remedies of Lender in connection with the interest so assigned shall be enforceable against Borrower by such assignee with the same force and effect and to the same extent as the same would have been enforceable by Lender but for such assignment.

6.8 Borrower shall not assign or attempt to assign its rights under this Agreement, either voluntarily or by operation of law.

6.9 Borrower acknowledges that a material consideration of Lender in the making and funding of the Loan hereunder is Borrower's agreement to keep, comply and perform in accordance with this Agreement and any other agreement which may now or hereafter create a charge, lien or encumbrance upon or against the Mortgage

Premises. Accordingly, should Borrower fail or refuse to perform in accordance with such agreements, or breach or otherwise default under any of the terms, covenants, conditions and provisions of such agreements, then and in such event, Lender shall have, in addition to all other rights and remedies as provided herein, the right:

A. To execute and deliver such instruments and documents required thereunder to be executed and delivered on behalf of Borrower.

B. To do any and every act with respect to the properties referred to herein, which Borrower may do in its own behalf; in connection therewith;

(1) to enter into possession of the Mortgaged Premises and to use any of the funds of Borrower.

(2) to pay, settle or compromise all bills or claims.

(3) to exercise all rights of the Borrower with respect to the Mortgaged Premises including, without limitation to, the exercise by Lender of all rights of Borrower under any and all agreements executed by Borrower relating to or pertaining to the Mortgaged Premises as though Lender, its agents, servants or employees, were the original, person stipulated as being the Borrower; nothing herein contained shall obligate Lender to exercise the rights herein granted.

For the foregoing purposes, Borrower hereby constitutes and appoints Lender its true and lawful attorney-in-fact, with full power of substitution, and it is a power coupled with an interest which cannot be revoked. Said attorney-in-fact shall also have power to prosecute and defend all actions or proceedings in connection with the Mortgaged Premises and to take such action and required such performance as is deemed necessary.

6.10 During the term of the Loan, Borrower shall promptly furnish Lender a written notice of any litigation in which Borrower is named as defendant or affecting or relating to its Mortgaged Premises.

6.11 This Agreement is made for the sole benefit of the Borrower and the Lender, and no other person shall be deemed to have any privity of contract hereunder, nor any right to rely hereon to any extent for any purpose whatsoever, nor have any right or action of any kind hereon, nor be deemed to be a third party beneficiary hereunder.

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6.12 The Borrower expressly acknowledges that the Note and Mortgage and all other documents securing the Loan described herein and this Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois.

6.13 Wherever used or the context so requires, the singular shall include the plural, the plural and singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and official seals the day and year first above written.

LENDER:

LIBERTY FEDERAL BANK

By : _____
Its: _____

Attest: _____
Its: _____

BORROWER:

C & McC BUILDERS, an
Illinois corporation

By: Fin M. McC
Its: Secretary
Attest: _____
Its: _____

Property of Cook County Clerk's Office

STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, The Undersigned a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Finton P. McCarthy, the President of C & McC BUILDRES, INC., an Illinois corporation, and Matthew G. Collins, the Secretary, of said C & McC BUILDERS, INC., personally know to me to be the same persons whose name are subscribed to the foregoing instrument as such President and Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of C & McC BUILDRES, INC. for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 4th day of October, 1999.

Ellen M. Partin
Notary Public

My Commission Expires:

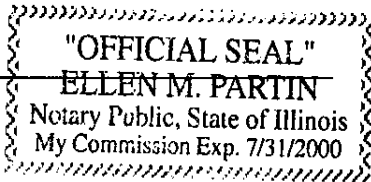


EXHIBIT A

LEGAL DESCRIPTION

LOTS 78 AND 79 IN CHICAGO LAND COMPANY'S SUBDIVISION OF BLOCK 31 IN SHEFFIELD'S ADDITION TO CHICAGO, IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 14-21-216-043-0000

COMMONLY KNOWN AS: 1810-12 W. ARMITAGE AVE., CHICAGO, ILLINOIS
60622

This Document was prepared by:
CHRISTOPHER M. NOVY
ROCK, FUSCO & GARVEY, LTD.
350 North LaSalle Street
Suite 900
Chicago, Illinois 60610
(312) 464-3500

EXHIBIT B

SWORN OWNERS/CONTRACTORS STATEMENTS

EXHIBIT B IS TO BE ATTACHED UPON COMPLETION BY THE BORROWER AND APPROVAL BY THE LENDER. IT IS UNDERSTOOD BY THE PARTIES THAT NO AMOUNTS SHALL BE DISBURSED BY THE LENDER UNTIL SUCH TIME AS A PROPER EXHIBIT B ACCEPTABLE TO THE LENDER IS ATTACHED TO THIS AGREEMENT.

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