

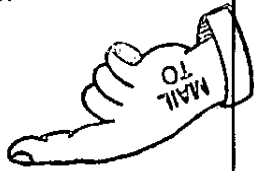
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This instrument prepared by
and return after recording to:

8836/0010 51 001 Page 1 of 26
2000-06-07 10:26:12
Cook County Recorder 71.50

Joel C. Levin
Rosenthal and Schanfield
55 East Monroe Street
46th Floor
Chicago, Illinois 60603



FIRST AMERICAN TITLE
ORDER NUMBER CX1918 51431A

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
AND SECURITY AGREEMENT**

26a

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT (the "Mortgage") is made May 25, 2000 between MATTHEW J. PERKINS and BARBARA PERKINS, jointly and severally, whose address is 9526 South Seeley, Chicago, Illinois 60643 (collectively the "Mortgagor"), and A. CHARLES & COMPANY, L.L.C., an Illinois limited liability company whose business address is Post Office Box 44, Northbrook, Illinois 60062 ("Lender").

WHEREAS, Mortgagor is indebted to Lender in the principal sum of FORTY-FIVE THOUSAND AND 00/100 Dollars (\$45,000.00), which indebtedness is evidenced by Mortgagor's promissory note dated of even date herewith and all modifications, substitutions, extensions and renewals thereof (the "Note") providing for repayment of principal and interest and providing for a final payment of all sums due thereunder on or before June 1, 2001;

TO SECURE to Lender: the repayment of the indebtedness evidenced by the Note, with interest thereon (collectively the "Loan"); the payment of all charges provided for herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; the performance of the covenants and agreements contained herein and/or in the Note; and all future advances and all other indebtedness of Mortgagor to Lender whether now or hereafter existing (collectively the "Secured Indebtedness" or "Indebtedness"); and also in consideration of Ten Dollars (\$10.00), the receipt and sufficiency of all of which are hereby acknowledged by Mortgagor, Mortgagor does hereby convey, grant and mortgage to Lender the real estate ("Real Estate") located in the County of Cook, State of Illinois and described on Exhibit A attached hereto, subject only to covenants, conditions, easements and restrictions set forth on Exhibit B, if any ("Permitted Encumbrances"). The Real Estate has the common address of 7319 South Racine Avenue, Chicago, Illinois 60636;

TOGETHER WITH any and all buildings, structures, improvements, tenements, fixtures, easements, mineral, oil and gas rights, water rights, appurtenances thereunto belonging, title or reversion in any and all parcels, strips, streets and alleys adjoining the Real Estate, any and all land or vaults lying within any street, thoroughfare, or alley adjoining the Real Estate, and any and all privileges, licenses, and franchises pertaining thereunto, all of the foregoing now or hereafter acquired, all leasehold estates and all rents, issues, and profits thereof, for so long and during all such times as Mortgagor, its successors and assigns may be entitled thereto (which are pledged primarily and on a parity with the Real Estate and not secondarily), and any and all apparatus, equipment or articles now or hereafter located thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally

controlled), and ventilation, and any and all other apparatus, equipment or articles used or useful in the operation of the property including any and all additions, substitutions and replacements thereof. All of the foregoing are declared to be a part of the Real Estate whether physically attached or not, and it is agreed that all similar apparatus, equipment, articles and fixtures hereafter placed on the Real Estate by Mortgagor or its successors or assigns shall be considered as constituting part of the Real Estate. (All of the foregoing, together with the Real Estate (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to collectively as the "Property".)

To have and to hold the Property unto the Lender, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Property is located, which rights and benefits Mortgagor does hereby expressly release and waive.

Mortgagor and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Mortgagor shall promptly pay or cause to be paid when due all Secured indebtedness.
2. [INTENTIONALLY OMITTED]
3. Application of Payments. Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Note and all other documents given to Lender to further evidence, secure or guarantee the Secured Indebtedness (each a "Loan Document" and collectively the "Loan Documents") shall be applied by Lender first to payments required from Mortgagor to Lender under Paragraph 2, if any, then to any sums advanced by Lender pursuant to Paragraph 8 to protect the security of this Mortgage, then to interest payable on the Note and to any prepayment premium which may be due, and then to Note principal (and if principal is due in installments, application shall be to such installments in the inverse order of their maturity).

Any applications to principal of proceeds from insurance policies, as provided in Paragraph 6, or of condemnation awards, as provided in Paragraph 10, shall not extend or postpone the due date of any monthly installments of principal and/or interest, or change the amount of such installments or of the other charges or payments provided in the Note or other Loan Documents.

4. Prior Encumbrances; Liens. Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") creating a lien having priority over this Mortgage, including Mortgagor's covenants to make payments when due. Any act or omission of Mortgagor which, with the giving of notice or the passage of time would constitute a default or event of default under any Prior Encumbrance or under any ground lease shall be a default under this Mortgage. Mortgagor shall promptly deliver to Lender all notices given or received of any defaults or events of default under any Prior Encumbrance or any ground lease.

Nothing in this Paragraph shall be deemed to permit a Prohibited Transfer as defined in Paragraph 17. Mortgagor shall keep the Property free from mechanics' or other liens and encumbrances.

5. Taxes and Assessments; Rents. Mortgagor shall pay or cause to be paid when due all general and special real estate and property taxes and assessments on the Property, if any (collectively "Impositions"), and water, sewer and other charges, fines and Impositions attributable to the Property and leasehold payments, if any, and all other sums due under any ground lease attributable to the Property. Mortgagor shall provide evidence satisfactory to Lender of compliance with these requirements promptly after the respective due dates for payment. Mortgagor shall pay, in full, but under protest in the manner provided by Statute, any tax or assessment Mortgagor desires to contest.

6. Insurance. (a) Mortgagor, at its sole cost and expense, shall insure and keep insured the Property against such perils and hazards, and in such amounts and with such limits, as Lender may from time to time require, and, in any event, including:

(1) All Risk. Insurance against loss to the Property on an "All Risk" policy form, covering insurance risks no less broad than those covered under a Standard Multi Peril (SMP) policy form, which contains a 1987 Commercial ISO "Causes of Loss - Special Form", and insurance against such other risks as Lender may reasonably require, including without limitation insurance covering the cost of demolition of undamaged portions of any portion of the Property when required by code or ordinance, the increased cost of reconstruction to conform with current code or ordinance requirements and the cost of debris removal. Such policies shall be in amounts equal to the full replacement cost of the Property (other than the Real Estate), including the foundation and underground pipes, fixtures and equipment and Mortgagor's interest in any leasehold improvements. Such policies shall also contain a 100% co-insurance clause with an agreed amount endorsement and deductibles which are in amounts acceptable to Lender

(2) Rent Continuation. Rent and rental value/extra expense insurance (if the Property are tenant occupied) in amounts sufficient to pay during any period in which the Property may be damaged or destroyed, on a gross rents basis for a period of twelve (12) months or such greater time as Lender may deem appropriate: (i) all rents derived from the Property; (ii) all amounts (including, but not limited to, all Impositions, utility charges and insurance premiums) required to be paid by Mortgagor or by tenants of the Property; and (iii) all contingent rents.

(3) Business Interruption. Business interruption/extra expense insurance (if the Property are owner-occupied) in amounts sufficient to pay during any period in which the Property may be damaged or destroyed, on a gross income basis for a period of twelve (12) months or such greater time as Lender may deem appropriate: (i) all business income derived from the Property and (ii) all amounts (including, but

not limited to, all Impositions, utility charges and insurance premiums) required to be paid by Mortgagor.

(4) Boiler and Machinery. Broad form boiler and machinery insurance including business interruption/extra expense and rent and rental value insurance, on all equipment and objects customarily covered by such insurance and/or involved in the heating, cooling, electrical and mechanical systems of the Property (if any are located at the Property), providing for full repair and replacement cost coverage, and other insurance of the types and in amounts as Lender may reasonably require, but in no event less than that customarily carried by persons owning or operating like properties.

(5) Workers' Compensation. During the making of any alterations or improvements to the Property (i) insurance covering claims based on the owner's or employer's contingent liability not covered by the insurance provided in subsection (h) below and (ii) workers' compensation insurance covering all persons engaged in such alterations or improvements.

(6) Flood. Insurance against loss or damage by flood or mud slide in compliance with the Flood Disaster Protection Act of 1973, as amended from time to time, if the Property is now, or at any time while the Secured Indebtedness remains (in whole or in part) outstanding shall be, situated in any area which an appropriate governmental authority designates as a special flood hazard area, Zone A or Zone V, in amounts equal to the full replacement value of all above-grade structures on the Property.

(7) Earthquake. Insurance against loss or damage by earthquake, if the Property are now, or at any time while the Secured Indebtedness remains (in whole or in part) outstanding shall be, situated in any area which is classified as a Major Damage Zone, Zones 3 and 4, by the International Conference of Building Officials in an amount equal to the probable maximum loss for the Property, fixtures and equipment, plus the cost of debris removal.

(8) Public Liability. Commercial general public liability insurance against death, bodily injury and property damage arising in connection with the Property. Such policy shall be written on a 1986 Standard ISO occurrence basis form or equivalent form, shall list Mortgagor as the named insured, shall designate thereon the location of the Property and have such limits as Lender may reasonably require, but in no event less than \$1,000,000. Mortgagor shall also obtain excess umbrella liability insurance with such limits as the Lender may reasonably require, but in no event less than \$3,000,000.00.

(9) Other Insurance. Such other insurance relating to the Property and the use and operation thereof, as Lender may, from time to time, reasonably require,

including without limitation dramshop, products liability and garage keeper's insurance.

(b) Policy Requirements. All insurance shall: (i) be carried in companies with a Best's rating of A/Class X or better, or otherwise acceptable to Lender; (ii) be in form and content acceptable to Lender; (iii) provide thirty (30) days' advance written notice to Lender before any cancellation, adverse material modification or notice of non-renewal; and (iv) to the extent limits are not otherwise specified herein, contain deductibles which are in amounts acceptable to Lender.

All policies (except workers' compensation insurance) and renewals shall contain a standard mortgage clause naming the Lender as mortgagee, which clause shall expressly state that any breach of any condition or warranty by Mortgagor shall not prejudice the rights of Lender under such insurance; and a loss payable clause in favor of the Lender for personal property, contents, inventory, equipment, loss of rents and business interruption. All such policies and renewals shall name the Lender as an additional insured. No additional parties shall appear in any mortgage or loss payable clause without Lender's prior written consent. All deductibles shall be in amounts acceptable to Lender. In the event of the foreclosure of this Mortgage or any other transfer of title to the Property in full or partial satisfaction of the Secured Indebtedness, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

(c) Delivery of Policies. Any notice pertaining to insurance and required pursuant to this Section shall be given in the manner provided in Section 29 at Lender's address stated above. The insurance shall be evidenced by the original policy or a true and certified copy of the original policy, or in the case of liability insurance, by certificates of insurance. Mortgagor shall use its best efforts to deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid" (or evidence satisfactory to Lender of the continuing coverage) to Lender at least fifteen (15) days before the expiration of existing policies and, in any event, Mortgagor shall deliver originals of such policies or certificates to Lender at least five (5) days before the expiration of existing policies. If Lender has not received satisfactory evidence of any required renewal or substitute insurance in the time and manner herein specified, Lender shall have the right, but not the obligation, to purchase such insurance for Lender's interest only. Any amounts disbursed therefor by Lender pursuant to this Section shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note. Nothing contained in this Section shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right of Lender under this Paragraph.

(d) Separate Insurance. Mortgagor shall not carry any separate insurance on the Property concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached a standard non-contributing mortgagee clause, with loss payable to Lender, and shall otherwise meet all other requirements set forth herein.

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(e) Insurance Review. At Lender's option, but not more often than annually, Mortgagor shall provide Lender with a report from an independent insurance consultant of regional or national prominence, acceptable to Lender, certifying that Mortgagor's insurance is in compliance with this Paragraph.

(f) Notice of Casualty. Mortgagor shall give immediate notice of any loss to Lender. In case of loss covered by any insurance Lender is authorized to adjust, collect and compromise in its discretion, all claims thereunder and in such case, Mortgagor covenants to and shall sign upon demand, or Lender may sign or endorse and deliver on Mortgagor's behalf, all necessary proofs of loss, receipts, releases and any and all other documents whatsoever required by the insurance companies to be signed and/or delivered by Mortgagor. Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the immediately preceding sentence, and it is acknowledged and agreed that such power is a power coupled with an interest and is irrevocable. Lender may deduct from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including without limitation attorneys' and adjusters' fees and charges and all costs incurred in connection therewith.

(g) Application of Proceeds. If all or any part of the Property shall be damaged or destroyed by fire or other casualty, Mortgagor shall promptly and with all due diligence restore and repair the Property whether or not the net insurance proceeds from all sources (collectively, the "Proceeds") are sufficient to pay the cost of such restoration or repair. Lender may require that all plans and specifications for such restoration or repair be submitted to and approved by Lender in writing prior to commencement of any work. At Lender's election, to be exercised by written notice to Mortgagor within thirty (30) days following Lender's unrestricted receipt in cash or the equivalent thereof of the Proceeds, any and all Proceeds shall, in such shares as Lender shall from time to time specify: (i) be applied to the Secured Indebtedness in such order and manner as Lender may elect or (ii) be made available to Mortgagor on the terms and conditions set forth in this Section to pay for the cost of restoration or repair with any excess to be applied to the Secured Indebtedness in the inverse order of maturity. Any application of the Proceeds to reduce the Secured Indebtedness shall constitute a voluntary prepayment subject to any prepayment premiums or fees provided in the Note or other Loan Documents. Lender may apply the Proceeds to such prepayment premiums or fees. If the amount of the Proceeds to be made available to Mortgagor pursuant to this Section is less than the cost of the restoration or repair as estimated by Lender at any time and from time to time prior to completion thereof, Mortgagor shall cause to be deposited with Lender the amount of such deficiency within thirty (30) days of Lender's written request therefor (but in no event later than the commencement of the work) and Mortgagor's deposited funds shall be disbursed prior to the Proceeds. If Mortgagor is required to deposit funds under this Section, the deposit of such funds shall be a condition precedent to Lender's obligation to disburse the Proceeds held by Lender hereunder. The amount of the Proceeds which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Lender to be disbursed from time to time to pay the cost of repair or restoration either, at

Lender's option, to Mortgagor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof. Lender may require (i) evidence of the estimated cost of completion of such restoration or repair satisfactory to Lender and (ii) such architect's certificates, waivers of lien, contractors' sworn statements, title insurance endorsements, plats of survey and other evidence of cost, payment and performance as are acceptable to Lender. If Lender requires mechanics' and materialmen's lien waivers in advance of making disbursements, such waivers shall be deposited with an escrow trustee acceptable to Lender pursuant to a construction loan escrow agreement satisfactory to Lender. No payment made prior to final completion of the repair or restoration shall exceed ninety percent (90%) of the value of the work performed from time to time. Lender may commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it nor shall Mortgagor be entitled to a credit against any of the Secured Indebtedness except and to the extent the funds are specifically applied thereto pursuant to this Section. Without limitation of the foregoing, Lender shall have the right at all times to apply such funds to the cure of any Event of Default or the performance of any obligations of Mortgagor under the Loan Documents.

7. Use, Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Mortgagor shall keep the Property in good condition and repair and shall not commit waste or permit impairment or deterioration of the Property. Mortgagor shall not allow, store, treat or dispose of Hazardous Material as defined in Paragraph 27, nor permit the same to exist or be stored, treated or disposed of, from or upon the Property. Mortgagor shall promptly restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed. Mortgagor shall comply with all requirements of law with respect to the use, operation, and maintenance of the Property, including without limitation all environmental, health and safety laws and regulations, and shall make no material alterations in the Property except as required by law, without the prior written consent of Lender. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Property.

8. Protection of Lender's Security. If Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage, the Note or any of the other Loan Documents, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or necessary to protect Lender's interest, including without limitation: (i) making repairs; (ii) discharging Prior Encumbrances in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, paying ground rents (if any); (iv) procuring insurance; and (v) renting, operating and managing the Property and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Property shall be operational and usable for its intended purposes. Lender, in making any payments

of Impositions and/or assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Lender pursuant to this Paragraph shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "Default Rate"). Nothing contained in this Paragraph shall require Lender to incur any expense or take any action hereunder, and any inaction by Lender shall never be considered as a waiver of any right of Lender under this Paragraph or under any other provision of this Mortgage.

9. Inspection of Property and Books and Records. Mortgagor shall permit Lender and its representatives and agents to inspect the Property from time to time during normal business hours and as frequently as Lender requests. Mortgagor shall keep and maintain full, accurate and correct books and records showing in detail the income and expenses of the Property. From time to time upon not less than five (5) days demand, Mortgagor shall permit Lender or its agents to examine and copy such books and records and all supporting vouchers and data at its offices or at the address identified above.

10. 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 irrevocably assigned and shall be paid directly to Lender. Mortgagor hereby grants a security interest to Lender in and to any and all such proceeds. Lender is hereby authorized and directed to collect any and all such proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Property or in payment of the Secured Indebtedness. In the event the Property is restored, Lender may disburse the condemnation proceeds in such manner as it determines, and may charge a reasonable fee for such services. In the event the condemnation proceeds are applied to reduce the Secured Indebtedness, any such application shall constitute a prepayment, and any prepayment premium required by the Loan Documents shall then be due and payable as provided therein. Lender may apply the condemnation proceeds to such prepayment premium.

11. Mortgagor Not Released; Forbearance by Lender Not a Waiver; Remedies Cumulative. Extension or other modification granted by Lender to any successor in interest of Mortgagor of the time for payment of any of the Secured Indebtedness shall not operate in any manner nor to any extent to release, in any manner, any liability, duties, or obligations of the Mortgagor. Any forbearance or inaction by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not in any manner nor to any extent be a waiver of or preclude the exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 8 or otherwise, shall not in any manner nor to any extent be a waiver of Lender's right to accelerate the maturity of the Secured Indebtedness. All remedies provided in this Mortgage are distinct from and cumulative with any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently and/or

successively. No consent or waiver by Lender to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective heirs, executors, legal representatives, successors and assigns of Lender and Mortgagor.

13. Loan Charges. If the Secured Indebtedness is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection therewith exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Mortgagor which exceeded permitted limits will be refunded to Mortgagor. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Legislation Affecting Lenders' Rights. If an enactment, modification or expiration of an applicable governmental law, ruling or regulation has the effect of rendering any provision of the Note, this Mortgage or any of the other Loan Documents unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 19.

15. Representations and Warranties of Mortgagor. (a) To induce Lender to make the Loan, Mortgagor represents, warrants and acknowledges to Lender as follows:

(1) Mortgagor has good and merchantable title to the Property, subject only to the Permitted Encumbrances described in Exhibit B attached hereto.

(2) Mortgagor has the power and authority to execute and deliver, or cause to be executed and delivered, the Loan Documents and any and all other documents and instruments required to be executed and delivered thereunder.

(3) Mortgagor's execution of and performance under the Loan Documents, and any and all other documents and instruments required to be executed thereunder and/or in connection therewith do not: (i) breach any provision contained in any agreement to which Mortgagor or any general partner, member, trustee, venturer or controlling shareholder of Mortgagor, or any guarantor of the Secured Indebtedness (collectively "Mortgagor's Affiliates") is now, or becomes, a party or by which any such party is bound; or (ii) violate any law or court order. The Loan Documents constitute the duly authorized, valid and legally binding obligations of the party or parties executing the same and are enforceable strictly in accordance with their respective terms. Mortgagor is not in default under any contract,

agreement or commitment to which it is a party or by which it or any of Mortgagor's Affiliates is bound, the effect of which will or could adversely affect the performance by Mortgagor of its obligations pursuant to and as contemplated by the terms and provisions of the Loan Documents.

(4) No suits, actions or proceedings are pending or, to the best of Mortgagor's knowledge, threatened against the Property, Mortgagor or Mortgagor's Affiliates which would or could adversely affect any of their abilities to perform their obligations under the Loan Documents.

(5) Mortgagor's use and operation of the Property will in all respects comply with any and all applicable zoning and building codes, regulations and ordinances (including without limitation environmental, health and safety laws). The Property is zoned to permit the operation and use thereof for its current use.

(6) The Property has vehicular access to publicly dedicated streets or roads or highways.

(7) No consent, approval, or authorization of any governmental or public body or authority is required in connection with the valid execution and delivery by Mortgagor of this Mortgage, the Loan Documents, such other documents and instruments as are required by the terms of the Loan Documents or the carrying out or performance of any terms, covenants or conditions as contained in the Loan Documents.

(8) The improvements on the Property do not encroach upon any easements or any adjoining properties.

(9) All financial statements and other information previously furnished by Mortgagor to Lender in connection with the Secured Indebtedness are true, accurate, complete, and correct, and no material adverse change has occurred since the furnishing of such statements and information.

(10) Mortgagor and the Property are and will remain in compliance with all applicable statutes and governmental rules and regulations, including without limitation all federal and state environmental, health and safety regulations and ERISA. No condition exists and no any event or transaction has occurred in connection with any such federal or state law which could result in Mortgagor's incurring any liability, fine or penalty.

(11) The Property is not subject to the Illinois Responsible Property Transfer Act of 1988, Illinois Compiled Statutes ("ILCS") Chapter 765, Act 90, Section 90/1, as amended.

(12) The Property is not in a floodplain or in a 100-year floodway as defined in ILCS Chapter 615, Act 5, Sections 5/18 and 5/18(g).

(b) All representations, warranties, covenants and acknowledgments set forth herein or in any certificate or other document delivered to Lender by or on behalf of Mortgagor pursuant to or in connection with the Loan Documents (i) shall be deemed to have been relied upon by Lender, notwithstanding any investigation made by Lender or on its behalf; and (ii) shall continue in full force and effect as long as there remains unperformed any obligation to Lender hereunder or under the Note or under or in connection with the Secured Indebtedness.

16. Additional Covenants of Mortgagor. Mortgagor covenants and agrees with Lender as follows:

(a) So long as the Secured Indebtedness remains unpaid, Mortgagor shall: (i) promptly supply Lender with such information concerning Mortgagor's affairs and property and the Property as Lender may reasonably request at any time and from time to time; (ii) promptly notify Lender of any condition or event which constitutes a breach or event of default of any term, condition, warranty, representation or provision of this Mortgage or of any of the Loan Documents; (iii) promptly notify Lender of any material adverse change in the financial condition of Mortgagor; (iv) maintain its books and records in accordance with generally accepted accounting principles; and (v) permit Lender or any of its agents or representatives to have access to, examine and copy all of Mortgagor's books and records at any time or times during normal business hours.

(b) Mortgagor shall execute and deliver to Lender now, and at any time and from time to time at the request of Lender, all documents, instruments, powers of attorney, letters of direction, notices, resolutions, reports, acceptances, receipts, consents, waivers, affidavits and certificates as Lender may reasonably request, in form satisfactory to Lender, to perfect and maintain perfected the liens granted by Mortgagor to Lender upon the Property pursuant to this Mortgage and the Loan Documents and in order to consummate and effectuate fully all of the transactions contemplated hereunder. In connection therewith, Mortgagor hereby irrevocably makes, constitutes and appoints Lender and any of its officers, employees, or agents, as its true and lawful attorney-in-fact with power to sign its name to any such document, instrument, letter of direction, notice, report, acceptance, receipt, consent, waiver, affidavit or certificate, provided Mortgagor has not complied with Lender's reasonable request to execute such document within seven (7) days from the date of written request. It is agreed that such power of attorney is a power coupled with an interest, is irrevocable, and shall not be affected in any manner by the disability, incapacity or incompetency of the principal.

(c) If proceedings are filed seeking to enjoin or otherwise prevent or declare invalid or unlawful the occupancy, maintenance or operation of the Property or any portion thereof, Mortgagor shall cause such proceedings to be vigorously contested in good faith, and in the event of an adverse ruling or decision, prosecute all allowable appeals therefrom.

Mortgagor shall also resist the entry or seek the stay of any temporary or permanent injunction that may be entered in any such proceeding and use its best efforts to bring about a favorable and speedy disposition of all such proceedings.

(d) Mortgagor shall not enter into any contract or agreement encumbering or granting a lien, easement or restriction affecting the Property without Lender's prior written consent.

(e) Except for the written notices expressly provided for herein or elsewhere in the Loan Documents, Mortgagor waives: (i) any and all notice or demand which Mortgagor might be entitled to receive with respect to this Mortgage by virtue of any applicable statute or law; (ii) demand, protest, notice of payments and non-payment, or any default, release, compromise, settlement, extension or renewal of all notes, instruments or documents at any time held by Lender on which Mortgagor may in any way be liable; and (iii) notice of any action taken by Lender unless such notice is expressly required by the Loan Documents.

(f) Mortgagor shall furnish to Lender: (i) within thirty (30) days after the end of each fiscal quarter, financial statements prepared by a certified public accountant acceptable to Lender, in conformity with generally accepted accounting principles applied on a basis consistent with that of prior periods and certified by Mortgagor; (ii) within ninety (90) days after the end of its fiscal year, audited financial statements prepared and certified by a certified public accountant acceptable to Lender, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year and certified by Mortgagor; (iii) within ninety (90) days after the end of its fiscal year, a certificate of the Mortgagor to the effect that no Event of Default or unmatured Event of Default has occurred and is continuing, or, if there is any such event, describing it and the steps, if any, being taken to cure it; and (iv) from time to time, such other information as the Lender may request.

17. Prohibitions on Transfer of the Property or of an Interest in Mortgagor. Notwithstanding anything to the contrary, it shall be an immediate and material default hereunder and an Event of Default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole and absolute discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale (including without limitation an installment sale or a contract sale), assignment, articles of agreement for deed, transfer, lien, pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily, involuntarily or otherwise, (collectively a "Transfer") of (1) the Property or any part or portion thereof or interest therein; or (2) all or any portion of the beneficial interest of Mortgagor or change in the power of direction, if Mortgagor is a land trust and/or a trustee; or (3) all or any portion of the stock of any corporate Mortgagor or corporate beneficiary of a land trust or trustee Mortgagor, that results or could result in a material change in the identity of the person(s) or entities previously in control of such corporation; or (4) all or any portion of a partnership, limited liability company, trust, or joint venture interest, if Mortgagor or Mortgagor's beneficiary consists of or includes such an entity, if such Transfer results or

could result in a material change in the identity of the person(s) or entities in control of such entity (each of the foregoing being hereinafter referred to as a "Prohibited Transfer"). In the event of such default, Lender may declare the entire unpaid balance of the Secured Indebtedness, including interest, immediately due and payable. The foregoing provisions of this Paragraph shall not, however, apply to the lien of current Impositions and assessments not yet due and payable.

18. Event of Default. Each of the following shall constitute an event of default ("Event of Default") under this Mortgage:

(a) Mortgagor's failure to pay any amount due herein or secured hereby, or any installment of principal or interest when due and payable whether at maturity or by acceleration or otherwise under the Note, this Mortgage, or any other Loan Document;

(b) Mortgagor's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph) or any other document or instrument evidencing, guarantying or securing the Secured Indebtedness, and such failure continues for a period of ten days after notice thereof given by Lender to Mortgagor;

(c) A Prohibited Transfer occurs;

(d) Mortgagor or any beneficiary of or person in control of or who owns an interest in Mortgagor, shall (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee, (or similar official) of the Mortgagor or for or of any part of the Property or any substantial part of the Mortgagor's other property; (iii) make any assignment for the benefit of Mortgagor's creditors; (iv) fail generally to pay Mortgagor's debts as they become due; (v) or a court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law;

(e) All or any part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;

(f) If Mortgagor is other than a natural person or persons, (i) the dissolution or termination of existence of Mortgagor, voluntarily or involuntarily, whether by reason of death of a general partner of Mortgagor or otherwise; (ii) the amendment or modification in any respect of Mortgagor's articles or agreement of partnership or its corporate resolutions or its articles of incorporation or bylaws that

would or could in any manner affect Mortgagor's performance of its obligations under the Note, this Mortgage or the other Loan Documents;

(g) The filing of formal charges by any governmental or quasi-governmental entity, including without limitation the issuance of an indictment, under any federal or state law, including without limitation the Racketeer Influenced and Corrupt Organizations Act of 1970, for which forfeiture of assets is a potential penalty against Mortgagor, any of its partners, members, shareholders or affiliates, or guarantors of the Secured Indebtedness; or

(h) This Mortgage shall at any time not constitute a valid lien on and security interest in the Property (subject only to the Permitted Encumbrances), or if such lien and security interest shall at any time not be perfected.

(i) A default shall have occurred by the mortgagor under that certain Mortgage, Assignment of Leases and Rents, and Security Agreement dated the date hereof between Lender, as mortgagee, and Community Insurance Center, Inc., an Illinois corporation, as mortgagor, the subject of which is the improved real property in Cook County, Illinois commonly known as 526 East 87th Street, Chicago, Illinois, permanent index number 20-34-412-034-0000.

19. ACCELERATION; REMEDIES. AT ANYTIME AFTER AN EVENT OF DEFAULT, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDINGS AND BY SUCH OTHER MANNER AS IS PERMITTED BY LAW. LENDER SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDINGS ALL EXPENSES OF FORECLOSURE, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES AND COSTS AND ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PROPERTY SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND AS SET FORTH IN PARAGRAPH 3; AND THIRD, ANY BALANCE TO MORTGAGOR.

20. Assignment of Leases and Rents. All right, title, and interest of Mortgagor in, to and under any and all present and future leases affecting the Property, written or oral (collectively the "Leases") and any and all rents, income, receipts, revenues, issues, avails and profits from or arising out of the Property (collectively "Rents") are hereby transferred and assigned to Lender as further security for the payment of the Secured Indebtedness, and Mortgagor hereby grants a security interest to Lender in and to the same. Mortgagor shall submit all future Leases affecting the Property to the Lender for its approval prior to execution, and all approved and executed Leases shall be specifically assigned to Lender by an instrument satisfactory to Lender. Each Lease shall, at the option of Lender, be paramount or subordinate to this Mortgage. Mortgagor shall furnish Lender with executed

copies of each Lease and, if requested by Lender, with estoppel letters from each tenant, which estoppel letters shall be in a form satisfactory to Lender and shall be delivered not later than thirty (30) days after Lender's written demand.

If, without Lender's prior written consent, Mortgagor: (i) as lessor, fails to perform and fulfill any term, covenant, or provision in any Lease; (ii) suffers or permits to occur any breach or default under the provisions of any separate assignment of any Lease given as additional security for the Secured Indebtedness; (iii) fails to fully protect, insure, preserve, and cause continued performance or fulfillment of the terms, covenants, or provisions of all Leases herein assigned to Lender; (iv) enters into, cancels, terminates, or materially amends or modifies any Lease; or (v) permits or approves an assignment by lessee of a Lease or a subletting of all or any part of the Property demised in the Lease; each and any such occurrence shall constitute an Event of Default hereunder.

Lender shall have the right to assign Mortgagor's right, title and interest in any Leases to any subsequent holder of this Mortgage or the Note and other Loan Documents or to any person acquiring title to all or any part of the Property through foreclosure or otherwise.

Upon an Event of Default, this Mortgage shall constitute a direction to each lessee under the Leases and each guarantor thereof, if any, to pay all Rents directly to Lender without proof of the Event of Default. Lender shall have the authority, as Mortgagor's attorney-in-fact (such authority being coupled with an interest and irrevocable) to sign the name of Mortgagor and to bind Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Property. While this assignment is a present assignment, Lender shall not exercise any of the rights or powers conferred upon it by this paragraph until an Event of Default shall occur under this Mortgage.

If Mortgagor, as lessor, shall neglect or refuse to perform and keep all of the covenants and agreements contained in the Lease or Leases, then Lender may perform and comply with any such Lease covenants and agreements. All related costs and expenses incurred by the Lender shall become a part of the Secured Indebtedness and shall be due and payable upon demand by Lender with interest thereon accruing thereafter at the Default Rate.

Lender shall not be obligated to perform or discharge any obligation, duty or liability under any Lease. Mortgagor shall defend, protect, indemnify and hold Lender harmless of, from and against any and all liability, loss or damage to Lender under the Leases or under or by reason of their assignments and of, from and against any and all claims and demands whatsoever which may be asserted against Lender by reason of any and all alleged obligations or undertakings on its part to perform or discharge any Lease terms, covenants or agreements. The amount of any such liability, loss or damage arising under the Leases or under or by reason of their assignment, or in the defense of any claims or demands relating thereto, including without limitation any and all costs, expenses and reasonable attorneys' fees incurred by Lender shall be a part of the Secured Indebtedness due and payable upon demand with interest thereon accruing thereafter at the Default Rate.

21. Appointment of Receiver. Upon acceleration under Paragraph 17 or Paragraph 19 or abandonment of the Property, and without further notice to Mortgagor, Lender shall be entitled to the appointment of a receiver by a court to enter upon, take possession of and manage the Property and to collect the Rents including those past due. The receiver shall have the power to collect the Rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All Rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the costs and expenses of the management of the Property and collection of Rents, including without limitation receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in Paragraph 3. The receiver shall be liable to account only for those Rents actually received.

22. Release. Upon payment of all Secured Indebtedness, Lender shall release this Mortgage upon payment by Mortgagor of all costs and fees to release same, if any. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

23. Security Agreement. Without limiting any other provisions of this Mortgage, this Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (the "Code") with respect to any and all fixtures, apparatus, equipment or articles, and all replacements and substitutions, now or hereafter located on the Property as set forth in the description of the Property above, including without limitation all air-conditioning, heating, gas, water, power, light, refrigeration, and ventilation systems which are presently located at the Property, and with respect to all Funds and other sums which may be deposited with Lender pursuant hereto (all for the purposes of this Paragraph collectively called the "Collateral"), and Mortgagor hereby grants to Lender a security interest in all Collateral. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have with respect thereto all remedies of a secured party under the Code. Mortgagor shall execute and deliver to Lender any financing statements necessary to perfect the security interest in the Collateral created hereby.

24. Waiver of Right of Redemption. Notwithstanding anything to the contrary herein contained, to the fullest extent permitted by the laws of the State of Illinois, Mortgagor, if a corporation or land trust, hereby waives any and all rights of redemption from sale under any order, judgment or decree of foreclosure, on behalf of Mortgagor, and on behalf of (i) each and every person acquiring any interest in or title to the Property subsequent to the date of this Mortgage; (ii) any trust estate of which the Property is a part and all beneficiaries of such trust estate; and (iii) all other persons.

25. Principal Amount of Mortgage. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced for Impositions and

insurance premiums or to protect the security of this Mortgage, exceed the stated principal amount of the Note.

26. Business Loan. Mortgagor hereby represents, warrants and agrees that: (a) all of the proceeds of the Loan will be used solely and exclusively for one or more business purposes within the intent, meaning and purview of the relevant provisions of the Illinois Interest Act, ILCS Chapter 815, Act 205, Section 205/0.01 et seq, as amended; (b) the Loan constitutes and is a "business loan" within the intent, meaning and purview of that Section; (c) the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. §1601, et seq.; and (d) the proceeds of the Loan will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

27. Environmental Matters. (a) Definitions. For purposes of this Paragraph:

(1) "Premises" means: The Real Estate together with all improvements presently and hereafter situated thereon or thereunder, construction material used in such improvements, surface and subsurface soil and water, areas leased to tenants, and all business, uses, and operations thereon.

(2) "Environmental Laws" means:

(A) any present or future federal statute, law, code, rule, regulation, ordinance, order, standard, permit, license, guidance document or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment, including without limitation: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq.;

(B) any present or future state or local statute, law, code, rule, regulation, ordinance, order, standard, permit, license, guidance document or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment.

(3) "Hazardous Material" means:

(A) any "hazardous substances" as defined by CERCLA;

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(B) any "hazardous wastes" as defined by RCRA;

(C) any hazardous, dangerous or toxic chemical, material, waste, pollutant, contaminant or substance (collectively a "pollutant") within the meaning of any Environmental Law prohibiting, limiting or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;

(D) any petroleum, crude oil or fraction thereof;

(E) any radioactive material, including without limitation any source, special nuclear or by-product material as defined at 42 U.S.C. Section 2011 et seq. as amended and/or reauthorized;

(F) asbestos-containing materials in any form or condition; and

(G) polychlorinated biphenyls ("PCBs") in any form or condition.

(4) "Environmental Actions" means:

(A) any notice of violation, complaint, claim, citation, demand, inquiry, report, action, assertion of potential responsibility, lien, encumbrance, or proceeding regarding the Premises, whether formal or informal, absolute or contingent, matured or unmatured, brought or issued by any governmental unit, agency, or body, or by any person or entity respecting (i) Environmental Laws; (ii) the environmental condition of the Premises, or any portion thereof, or any property near the Premises, including without limitation actual or alleged damage or injury to humans, public health, wildlife, biota, air, surface or subsurface soil or water, or other natural resources; or (iii) the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of Hazardous Material either on the Premises or off-site;

(B) any violation or claim of violation by Mortgagor of any Environmental Laws whether or not involving the Premises;

(C) any lien for damages caused by, or the recovery of any costs incurred by any person or governmental entity for the investigation, remediation or cleanup of any release or threatened release of Hazardous Material; and

(D) the destruction or loss of use of property, or the injury, illness or death of any officer, director, employee, agent, representative, tenant or invitee of Mortgagor or any other person alleged to be or possibly to be,

arising from or caused by the environmental condition of the Premises or the release, emission or discharge of Hazardous Materials from the Premises.

(b) Representations and Warranties. Mortgagor hereby represents and warrants to Lender that:

(1) Compliance. To the best of Mortgagor's knowledge based on all appropriate and thorough inquiry, the Premises and Mortgagor have been and are currently in compliance with all Environmental Laws. There have been, to the best of Mortgagor's knowledge based on all appropriate and thorough inquiry, no past, and there are no pending or threatened, Environmental Actions to which Mortgagor is a party or which relate to the Premises. All required governmental permits and licenses are in effect, and Mortgagor is in compliance therewith. Mortgagor has not received any notice of any Environmental Action respecting Mortgagor, the Premises or any off-site facility to which has been sent any Hazardous Material for off-site treatment, recycling, reclamation, reuse, handling, storage, sale or disposal.

(2) Absence of Hazardous Material. No use, exposure, release, emission, discharge, generation, manufacture, sale, handling, reuse, presence, storage, treatment, transport, recycling or disposal of Hazardous Material has, to the best of Mortgagor's knowledge based on all appropriate and thorough inquiry, occurred or is occurring on or from the Premises except in compliance with Environmental Laws and as expressly disclosed in writing to Lender ("Disclosed Material"). The term "released" shall include without limitation any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Material). To the best of Mortgagor's knowledge based on appropriate and thorough inquiry, all Hazardous Material used, treated, stored, transported to or from, generated or handled on the Premises has been disposed of on or off the Premises in a lawful manner. To the best of Mortgagor's knowledge based on appropriate and thorough inquiry, no environmental, public health or safety hazards currently exist with respect to the Premises. To the best of Mortgagor's knowledge based on appropriate and thorough inquiry, no underground storage tanks (including but not limited to petroleum or heating oil storage tanks) are present on or under the Premises, or have been on or under the Property except as has been expressly disclosed in writing to Lender ("Disclosed Tanks").

(c) Mortgagor's Covenants. Mortgagor hereby further covenants and agrees with Lender as follows:

(1) Compliance. The Premises and Mortgagor shall comply with all Environmental Laws. All required governmental permits and licenses shall be obtained and maintained, and Mortgagor shall comply therewith. All Hazardous Material on the Premises will be disposed of in a lawful manner without giving rise

to any liability under any Environmental Laws. Mortgagor will satisfy all requirements of applicable Environmental Laws for the registration, operation, maintenance, closure and removal of all underground storage tanks on the Premises, if any. Without limiting the foregoing, all Hazardous Material shall be handled in compliance with all applicable Environmental Laws.

(2) Absence of Hazardous Material. Other than Disclosed Material, no Hazardous Material shall be introduced to or used, exposed, released, emitted, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on the Premises without thirty (30) days' prior written notice to Lender.

(3) Environmental Actions and Right to Consent. Mortgagor shall in writing immediately notify Lender of any and all Environmental Actions and provide copies of all written notices, complaints, correspondence and other documents relating thereto within two business days of receipt, and Mortgagor shall keep Lender informed of all responses thereto. Mortgagor shall promptly cure and have dismissed with prejudice all Environmental Actions in a manner satisfactory to Lender and Mortgagor shall keep the Premises free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any Environmental Actions. Notwithstanding the immediately preceding sentence, Mortgagor may, diligently, in good faith and by appropriate legal proceedings, contest such proceedings provided: (i) Mortgagor first furnishes to Lender such deposits or other collateral as Lender, in its sole discretion, deems sufficient to fully protect Lender's interests; (ii) such contest is intended to prevent any threatened or pending sale or forfeiture of all or any portion of the Premises or the loss or impairment of Lender's lien and security interests in and to the Premises; and (iii) such contest will not cause Lender to incur any liability, in Lender's sole judgment. Mortgagor shall permit Lender, at Lender's option, to appear in and to be represented in any such contest and Mortgagor shall pay upon demand all expenses incurred by Lender in so doing, including attorneys' fees.

(4) Future Environmental Audits. Mortgagor shall provide such information and certifications which Lender may reasonably request from time to time to monitor Mortgagor's compliance with this Paragraph for the sole purpose of protecting Lender's security interests. To protect its security interests, Lender shall have the right, but not the obligation, at any time and from time to time to enter upon the Premises, take samples, review Mortgagor's books and records, interview Mortgagor's employees and officers, and conduct such other activities as Lender, at its sole discretion, deems appropriate. Mortgagor shall cooperate fully in the conduct of any and each such audit. If Lender decides to conduct such an audit because of (i) an Environmental Action; (ii) Lender's considering taking possession of or title to the Premises after default by Mortgagor; (iii) a material change in the use of the Premises, which in Lender's opinion increases the risk to its security interests; or (iv) the introduction of Hazardous Material other than Disclosed Material to the

Premises; then Mortgagor shall pay upon demand all costs and expenses connected with such audit, which, until paid, shall become additional Secured Indebtedness and shall bear interest at the Default Rate until paid. Nothing in this Paragraph shall give or be construed as giving Lender the right to direct or control Mortgagor's actions in complying with Environmental Laws.

(5) Event of Default and Opportunity to Cure. If Mortgagor fails to comply with any of its covenants contained in this subparagraph (c) within thirty (30) days after notice by Lender to Mortgagor, Lender may, at its option, declare an Event of Default. If, however, the noncompliance cannot, in Lender's reasonable determination, be corrected within such thirty (30) day period, and if Mortgagor has promptly commenced and diligently pursues action to cure such noncompliance to Lender's satisfaction, then Mortgagor shall have such additional time as is reasonably necessary to correct such noncompliance, provided Mortgagor continues to diligently pursue corrective action, but in no event more than a total of one hundred eighty (180) days after the initial notice of noncompliance by Lender.

(d) Lender's Right to Rely. Lender is entitled to rely upon Mortgagor's representations, warranties and covenants contained in this Paragraph despite any independent investigations by Lender or its consultants. The Mortgagor shall take all necessary actions to determine for itself, and to remain aware of, the environmental condition of the Premises. Mortgagor shall have no right to rely upon any independent environmental investigations or findings made by Lender or its consultants unless otherwise stated in writing therein and agreed to in writing by Lender.

(e) Indemnification. The term "Lender's Environmental Liability" shall mean any and all losses, liabilities, obligations, penalties, claims, fines, lost profits, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including consequential, punitive and exemplary damages), disbursements or expenses of any kind or nature whatsoever (including attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's affiliates, shareholders, members, directors, officers, employees, and agents (collectively Lender's "Affiliates") in connection with or arising from:

(1) any Hazardous Material used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Premises, or any surrounding areas;

(2) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Paragraph;

(3) any violation, liability or claim of violation or liability, under any Environmental Laws;

(4) the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of, any release or threatened release of Hazardous Material; or

(5) any Environmental Actions.

Mortgagor hereby indemnifies and agrees to and shall defend (at trial and appellate levels and with counsel, experts and consultants acceptable to Lender and at Mortgagor's sole cost) and hold Lender and Lender's Affiliates free and harmless of, from and against Lender's Environmental Liability (collectively "Mortgagor's Indemnification Obligations"). Mortgagor's Indemnification Obligations shall survive in perpetuity with respect to any Lender's Environmental Liability.

Mortgagor and its successors and assigns hereby and forever waive, release and agree to not make any claim or bring any cost recovery action whatsoever against Lender or against Lender's Affiliates under or with respect to any Environmental Laws. Mortgagor's obligations to Lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor or Lender with respect to the violation or condition which results in liability to Lender.

28. WAIVER OF JURY TRIAL. MORTGAGOR IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON OR IN ANY MANNER ARISING FROM, CONNECTED WITH OR RELATED TO (i) THE SECURED INDEBTEDNESS, (ii) ANY CONDUCT, ACT, STATEMENT OR OMISSION BY THE LENDER WHICH IN ANY WAY RELATED TO, OCCURRED IN CONNECTION WITH, OR CONCERNS THE SECURED INDEBTEDNESS OR MORTGAGOR'S APPLICATION THEREFOR, THE NOTE, THE LOAN DOCUMENTS, OR THE PROPERTY OR (iii) THIS MORTGAGE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY MORTGAGOR, AND MORTGAGOR ACKNOWLEDGES THAT NEITHER THE LENDER NOR ANY PERSON ACTING FOR OR ON BEHALF OF THE LENDER HAS MADE ANY STATEMENT OR REPRESENTATION (i) TO INDUCE MORTGAGOR TO AGREE TO THIS WAIVER OF TRIAL BY JURY OR (ii) IN ANY WAY TO MODIFY, LIMIT, RESTRICT, OR NULLIFY IT. MORTGAGOR FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED AND ADVISED BY INDEPENDENT LEGAL COUNSEL OF ITS OWN CHOICE IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH ITS LEGAL COUNSEL. MORTGAGOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER.

29. Notice. Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be given by hand delivery or by certified mail, return receipt requested. Notices shall be given to Mortgagor

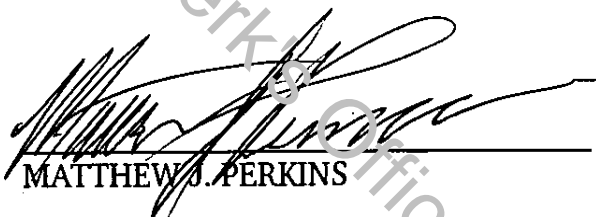
at the address provided below and to Lender at Lender's address stated above. Notices shall be deemed to have been given and effective on the date of delivery, if hand-delivered, or three (3) days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are given by notice as provided herein.

30. Governing Law. This Mortgage has been negotiated, executed, and delivered in Illinois and shall be governed, construed, and interpreted in accordance with the internal substantive laws of the State of Illinois without reference to any conflicts of laws principles or provisions.

31. Amendments. The parties hereto may amend, modify or supplement this Mortgage from time to time only by a writing signed by both of them.

32. Construction. Whenever applicable in this Mortgage, the singular and the plural, and the masculine, feminine and neutral shall be freely interchangeable, as the context requires. The Paragraph and subparagraph headings or titles shall not in any way control the construction of the language herein, such headings or titles having been inserted solely for the purpose of simplified reference. Words such as "herein", "hereof", "hereinafter", "hereby", "hereto", and "hereinabove" when used in this Mortgage refer to this Mortgage as a whole, unless otherwise required by the context. The Recitals and Exhibits hereto constitute integral parts of this Mortgage and are hereby and fully incorporated herein by this reference with the same force and effect as if set forth herein at length. All Paragraph and subparagraph references set forth herein refer to the corresponding Sections and subsections of this Mortgage, unless the context otherwise requires.

IN WITNESS WHEREOF, Mortgagor has entered into, executed and delivered this Mortgage, Assignment of Leases and Rents, and Security Agreement on and as of the day and year first above written.


MATTHEW J. PERKINS


BARBARA PERKINS

Mortgagor's Address:
9526 South Seeley
Chicago, Illinois 60643

G:\A Charles & Company LLC\General
Matters\MTG-Assign R&L- Perkins.wpd

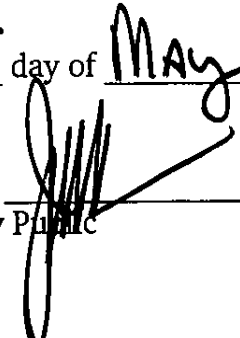
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

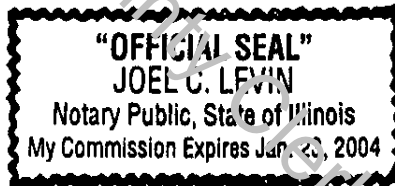
I, JOEL C. LEVIN, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that **MATTHEW J. PERKINS and BARBARA PERKINS**, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument, as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25 day of May, 2000.



Notary Public

Commission expires: JAN. 23, 2004



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00415305

EXHIBIT A

LEGAL DESCRIPTION

LOT 41 IN BLOCK 2 IN SAMUEL EICHBERG'S SUBDIVISION OF THE NORTH 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 29, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, COMMONLY KNOWN AS 7319 SOUTH RACINE AVENUE, CHICAGO, ILLINOIS 60636.

PIN: 20-29-216-007

Property of Cook County Clerk's Office

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EXHIBIT B

PERMITTED ENCUMBRANCES

00415305

NONE

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