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This instrument was prepared
by and, after recording,
return to:

Ned S. Robertson
Aronberg Goldgehn Davis &
Garmisa
One IBM Plaza - Suite 3000
Chicago, Illinois 60611

0021440653

4113/0015 45 001 Page 1 of 28
2002-12-27 08:35:24
Cook County Recorder 78.00



0021440653

Location:
1300 North Wood Street,
Chicago, Illinois

PIN: 17-06-217-010-0000
17-06-217-029-0000

Space above this line for Recorder's use only

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT ("Mortgage") made as of the 9 day of October, 2002 by OXFORD BANK & TRUST, not personally but solely as Trustee under Trust Agreement dated June 1, 2001 and known as Trust No. 888 ("Mortgagor") and OXFORD BANK & TRUST, an Illinois state bank ("Mortgagee");

DI 8065666 J. [Signature]
WITNESSETH THAT:

WHEREAS, Mortgagor and JOSEPH ZIVKOVIC and STEVEN J. LIVADITIS (individually and collectively, "Beneficiary"), have concurrently herewith executed and delivered to Mortgagee a Mortgage Note bearing even date herewith in the principal sum of ONE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,800,000.00) (which note, as it may hereafter be modified, amended or extended, and together with any and all substitutions therefor and replacements thereof is referred to herein as the "Note") made payable to Mortgagee whereby Mortgagor and Beneficiary promise to pay the said principal sum and interest thereon at the rate and in installments as provided in the Note, with a final payment of the balance under the Note due on October 1, 2003, unless extended to April 1, 2004 pursuant to the terms of the Note, if not sooner paid, all of said principal and interest being payable at such place as the holder or holders thereof may, from time to time, in writing appoint, and in the absence of such appointment, then at the office of Mortgagee, 1100 West Lake Street, Addison, Illinois 60101.

BOX 333-CT

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NOW, THEREFORE, Mortgagor, in consideration of said debt and to secure the payment of both principal and interest, in accordance with the terms and provisions of the Note and in accordance with the terms, provisions and limitations of this Mortgage, and to secure the performance of the covenants and agreements herein and in the Note contained, to be performed by Mortgagor, does by these presents MORTGAGE, GRANT, BARGAIN, SELL and CONVEY unto Mortgagee, its successors and assigns, its estate in fee simple, forever, in the real estate situated in the City of Chicago, County of Cook, State of Illinois ("Premises"), as more fully described on the attached Exhibit A, which is incorporated herein by this reference and made a part hereof.

TOGETHER with all buildings, improvements, tenements, easements, fixtures and appurtenances thereto pertaining or belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and including but not limited to Mortgagor's interest in all shades, awnings, blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, attached floor covering, now or hereafter therein or thereon and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air cooling, air conditioning, water, light, power, sanitation, sprinkler protection, waste removal, articles used or useful in connection with the operation of said refrigeration (whether single units or centrally controlled) and ventilation including (without restricting the foregoing), all other fixtures, apparatus, equipment, furniture, furnishings, and articles used or useful in connection with the operation of said real estate now or hereafter located upon said Premises, it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby. As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the real estate or does not constitute a "fixture", as defined in the Uniform Commercial Code of Illinois ("Code"), this Mortgage is hereby deemed to also be a Security Agreement under the Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the Code), as more particularly provided in Paragraph 34 hereof.

Mortgagor represents and covenants that it is lawfully seized of the Premises, that the same are unencumbered, and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will warrant and forever defend said Premises and the quiet and peaceful possession of the same, subject to the rights of tenants, against the lawful claims of all persons whomsoever.

TO HAVE AND TO HOLD the Premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, together with the right to possession

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of the Premises, subject to the rights of tenants after the occurrence of an Event of Default (as defined in Paragraph 13 hereof).

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the indebtedness evidenced by the Note (together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof, or, which may evidence any of the indebtedness secured hereby); (b) payment by Mortgagor and Beneficiary to Mortgagee as herein provided of all sums expended or advanced by Mortgagee pursuant to any term or provision of this Mortgage; (c) performance of each and every one of the covenants, conditions and agreements contained in this Mortgage and the Note; (d) performance under that certain Combined Security Agreement and Collateral Assignment of Beneficial Interest in Land Trust of even date herewith from Beneficiary, as assignor, to Mortgagee, as assignee; and (e) performance under any other instrument given at any time to secure the payment of any other indebtedness to the Mortgagee. The foregoing documents, and any other documents evidencing and securing the loan reflected herein, are referred to collectively herein as the "Loan Documents".

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof, except that Mortgagor shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claim upon furnishing (i) to the title company which has issued the loan policy of title insurance to Mortgagee insuring the lien of this Mortgage such security or indemnity as it may require to issue an endorsement thereto insuring against loss or damage on account of any such lien; or (ii) to Mortgagee such other security with respect to such claims as may be reasonably acceptable to Mortgagee; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof, and upon request, exhibit satisfactory evidence to Mortgagee of the discharge of such lien; (d) complete within a reasonable time any building or buildings or any other improvements now or at any time in the process of construction upon the Premises; (e) comply with all applicable requirements or law, municipal ordinances or restrictions of record with respect to the Premises and the use and development thereof, including but not limited to those relating to zoning, building, environmental protection, health, fire and safety; (f) make no material alterations or structural changes to the Premises except as required by law or municipal ordinance without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed; (g) suffer or permit no change in the general nature of the occupancy of the Premises, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld or delayed; (h) not initiate or acquiesce in any zoning variation or reclassification, without Mortgagee's written consent; (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note; and (j) duly perform and observe all of the covenants, terms, provisions and agreements herein or in the Loan Documents on the part of Mortgagor to be performed and

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observed. As used in this Paragraph and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by the Note, together with all interest thereon and all other amounts payable to Mortgagee thereunder, and all other sums at any time secured by this Mortgage.

2. Payment of Taxes and Assessments. Mortgagor shall pay before any penalty or interest attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges or liens of any nature against the Premises when due, and shall furnish to Mortgagee duplicate receipts of payment therefor. If any special assessment is permitted by applicable law to be paid in installments, Mortgagor shall have the right to pay such assessment in installments, so long as all such installments are paid prior to the due date thereof. To prevent default hereunder, Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may decide to contest. Notwithstanding anything contained herein to the contrary, Mortgagor shall have the right to protest any taxes assessed against the Premises, so long as such protest is conducted in good faith by appropriate legal proceedings diligently prosecuted and Mortgagor shall furnish to the title insurer such security or indemnity as said insurer requires to induce it to issue an endorsement, in form and substance acceptable to Mortgagee, insuring over any exception created by such protest

3. Tax and Insurance Deposits. Mortgagor covenants and agrees, if required by Mortgagee, to deposit at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee in Addison, Illinois, a sum equal (a) to one-twelfth (1/12th) of the last total annual taxes and assessments for the last ascertainable year (general and special) on the Premises, unless said taxes are based upon assessments which exclude the improvements or any part thereof now constructed, or to be constructed, in which event the amount of such deposits shall be based upon Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed, and (b) one-twelfth (1/12th) of the annual premiums payable for insurance required to be maintained in accordance with Paragraph 4 hereof. Mortgagor, concurrently with the first monthly deposit of taxes required hereunder, will also deposit with Mortgagee (i) an amount which, together with the aggregate of the monthly deposits to be made pursuant to (a) above, shall be sufficient to pay in full the total annual taxes and assessments so ascertainable or so estimated by Mortgagee, as the case may be, to become due and payable with respect to the Premises for the current calendar year, as of one month prior to the due date of such taxes and assessments, and (ii) which, together with the aggregate deposits to be made pursuant to (b) above, shall be sufficient to pay in full the total annual insurance premium estimated by Mortgagee to next become due and payable with respect to the Premises, as of one month prior to the date on which the next annual insurance premium becomes due. Such deposits are to be held without any allowance for interest and are to be used for the payment of taxes and assessments (general and special) and insurance premiums, respectively, on the Premises next due and payable when they become due. If the funds so deposited are insufficient to pay any such taxes or assessments (general and special) and premiums for any year when the same shall become due and payable, Mortgagor shall within ten (10) days after receipt of demand therefor, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) and insurance premiums in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and

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special) and insurance premiums for any year, the excess shall be applied to the next subsequent deposit or deposits. Said deposits need not be kept separate and apart from any other funds of Mortgagee.

4. Insurance. The Mortgagor will at all times maintain (or cause to be maintained) on the buildings and improvements, fixtures and articles of personal property, if any, now or hereafter situated on the Premises and owned by Mortgagor, all insurance required at any time or from time to time by the Mortgagee and in any event fire and extended coverage insurance for the benefit of the Mortgagee, to the full extent of the Mortgagee's interest therein, against loss or damage (whether to such improvements or personal property or by loss of rentals, business interruption, loss of occupancy or other damage therefrom) from such hazards as may be requested by the Mortgagee from time to time, including (without limitation) fire, windstorm, tornado, hail, disaster, earthquake, vandalism, riot, malicious mischief (and including plate glass and boiler insurance, and war risk insurance if then available), insurance against flood, if required by Mortgagee, and, during construction, builder's completed value risk insurance against "all risks of physical loss" (including collapse and transit coverage), and all other insurance commonly or, in the judgment of the Mortgagee, prudently maintained by those whose business, improvement to, and use of real estate is similar to that of the Mortgagor, and that it will maintain comprehensive public liability, employer's liability and workmen's compensation insurance, all in amounts satisfactory to the Mortgagee, and all of such insurance to be maintained in such form and with such companies as shall be approved by the Mortgagee, and to deliver to and keep deposited with the Mortgagee all policies of such insurance and renewals thereof, with premiums prepaid, and with mortgagee and loss payable clauses satisfactory to the Mortgagee, and noncancellation clauses providing for not less than 30 days' prior written notice to the Mortgagee, attached thereto in favor of the Mortgagee, its successors and assigns. The Mortgagor agrees that any loss paid to the Mortgagee under any of such policies of property or casualty insurance (but not including as business interruption or similar insurance) shall be applied to the rebuilding or repairing of the damaged or destroyed Premises or any part thereof provided all conditions in Paragraph 6 hereof are satisfied; otherwise such proceeds may be applied, in the sole discretion of the Mortgagee, to the payment of the amounts due hereunder or under the Loan Documents.

5. Mortgagee's Interest In and Use of Deposits. Upon the occurrence of an Event of a Default in any of the provisions contained in this Mortgage or in the Note or the other Loan Documents, Mortgagee may at its option, without being required to do so, apply any moneys at the time on deposit pursuant to any provision of this Mortgage, as any one or more of the same may be applicable, on any of Mortgagor's obligations herein or in the Note or the other Loan Documents contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Premises. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be held to be irrevocably applied by Mortgagee for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of taxes, assessments or insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested Mortgagee in writing to

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make application of such funds to the payment of the particular taxes or assessments or the payment of the particular insurance premiums as the case may be for payment of which they were deposited, accompanied by the bills for such taxes, assessments or insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instructions of any party authorized to act on behalf of Mortgagor.

6. Adjustment of Losses with Insurer and Application of Proceeds of Insurance. The Mortgagor shall give the Mortgagee prompt notice of any damage to or destruction of the Premises. In case of loss, Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized either (a) to settle and adjust any claim under those insurance policies maintained by Mortgagor pursuant to Paragraph 4 hereof without consent of Mortgagor, or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; provided, however, that so long as no Event of Default has occurred under the Note, this Mortgage or any of the other Loan Documents, Mortgagor shall have the right to settle and adjust any such claim with the consent of Mortgagee. Such insurance proceeds may, at the option of Mortgagee, either be applied in payment or reduction of the indebtedness secured hereby, whether due or not, or be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of buildings or improvements on said Premises. If such proceeds are used to reimburse Mortgagor, the buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the net proceeds of insurance are insufficient to so restore or rebuild the buildings and improvements, the additional costs to replace, repair, rebuild or restore shall be paid by Mortgagor. Such proceeds shall be held by Mortgagee and shall be made available to Mortgagor, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve. If the estimated cost of the work exceeds ten percent (10%) of the original principal amount of the indebtedness secured hereby, Mortgagee shall also be furnished with all plans and specifications for such rebuilding or restoration as the Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed, from time to time, and at all times the undischursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the buildings or improvements, shall be applied in payment or reduction of the indebtedness secured hereby or in payment or reduction of the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if it shall then be entitled to the same or as the court may direct. In the case of the foreclosure of this Mortgage, the court in its decree may provide that the mortgagee's clause attached to each of said insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further

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provide that in case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then, and in every such case, each successive redepton may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redepton. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

7. Stamp Tax. If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the issuance of the Note or recording of this Mortgage, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note or recording of this Mortgage.

8. Indemnity. Mortgagor hereby agrees that no liability shall be asserted or enforced against Mortgagee in the lawful exercise of the rights and powers granted to Mortgagee in this Mortgage, and Mortgagor hereby expressly waives and releases any such liability. Except for the gross negligence or willful misconduct of Mortgagee, Mortgagor shall indemnify and save Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including reasonable attorneys' fees and court costs) of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: the making of the loan evidenced by the Note and secured by this Mortgage; any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; the offer for sale or sale of all or any portion of the Premises; and/or the ownership, leasing, use, operation or maintenance of the Premises. All costs provided for herein and paid for by Mortgagee shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest at the Default Rate (as defined in Section 29 hereof).

9. Effect of Extensions of Time. If the payment of the debt secured hereby or any part thereof be extended or varied or if any part of the security granted to secure such indebtedness be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, or having an interest in Mortgagor or in the beneficiary of Mortgagor, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

Any person, firm or corporation taking a junior mortgage or other lien upon the Premises or any interest therein, shall take the said lien subject to the rights of the Mortgagee to amend, modify and supplement this Mortgage, or the Note and to extend the maturity of the debt secured

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hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing in this Section contained shall be construed as waiving any provisions contained herein which provides, among other things, that it shall constitute an Event of Default if the Premises are sold, conveyed or encumbered.

10. Effect of Changes in Laws Regarding Taxation. In the event of the enactment after this date of any laws of the state in which the Premises are located deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the indebtedness secured hereby or the holders thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable thirty (30) days from the giving of such notice.

11. Mortgagee's Performance of Defaulted Acts and Expenses Incurred by Mortgagee. Upon the occurrence of an Event of Default, Mortgagee may, but need not, make any payment or perform any act required herein or in the Note or any of the other Loan Documents required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of Mortgagor in any lease of the Premises. Upon the occurrence of an Event of Default, Mortgagee may, but shall not be required to, complete construction, furnishing and equipping of any buildings or other improvements now or at any time hereafter on the Premises, and rent, operate and manage the Premises and such buildings and improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and such buildings and improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraph 7 above or to protect the Premises or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate. In addition to the foregoing, any costs, expenses and fees, including attorneys' fees, incurred by Mortgagee in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting and enforcing any of Mortgagee's rights hereunder, (c) recovering any indebtedness secured hereby, (d) any litigation or proceedings affecting repayment of the Note, this Mortgage, the Premises or any guarantor or co-maker of the Note or this Mortgage, including without limitation, bankruptcy and probate proceedings, or (e)

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preparing for the commencement, defense or participation in any threatened litigation or proceedings, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate. The interest accruing under this paragraph shall be immediately due and payable by Mortgagor to Mortgagee, and shall be additional indebtedness evidenced by the Note and secured by this Mortgage. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Should the proceeds of the Note or any part thereof, or any amount paid out or advanced by Mortgagee hereunder, or pursuant to any agreement executed by Mortgagor in connection with the loan evidenced by the Note, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Premises or any part thereof, then as additional security hereunder, Mortgagee shall be subrogated to any and all liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment. Notwithstanding anything contained herein to the contrary, in no event shall the indebtedness secured by this Mortgage exceed twice the face value of the Note.

12. Mortgagee's Reliance on Tax Bills and Claims for Liens. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; provided that if no Event of Default exists hereunder, Mortgagee shall give Mortgagor ten (10) days' prior notice thereof.

13. Acceleration of Indebtedness in Event of Default. It is agreed that upon the occurrence of any one or more of the following events (herein called "Defaults" or "Events of Default"): (a) default shall be made in the due and punctual payment of the Note, or any installment due in accordance with the terms thereof, either of principal or interest which has not been cured within the applicable grace period, if any; or (b) Mortgagor or Guarantor shall file a petition in voluntary bankruptcy or under Chapter 7 or Chapter 11 or Chapter 13 of the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, or an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within sixty (60) days, as hereinafter provided; or (c) any order for relief of the Mortgagor or Guarantor shall be entered under Title 11 of the United States Code, or a trustee or a receiver shall be appointed for Mortgagor or any Guarantor or for all of the property or the major part thereof of Mortgagor or any Guarantor in any involuntary proceeding, or any court shall have taken jurisdiction of the property of Mortgagor or any Guarantor or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Mortgagor or any Guarantor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days; or (d) Mortgagor or any Guarantor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the

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major part thereof; or (e) default shall be made in the due observance or performance of any non-monetary covenant, agreement or condition required to be kept or observed by Mortgagor in the Loan Documents or by any Guarantor thereof or in any other instrument given at any time to secure the payment of the Note or any other indebtedness due to the Mortgagee, after the expiration of the applicable cure periods, if any; or (g) the existence of any material inaccuracy or untruth at the time made in any material representation, covenant or warranty contained in this Mortgage or in any other statement or certification as to facts delivered to Mortgagee by Mortgagor or any guarantor; or (h) the occurrence of a prohibited transfer as described in Paragraph 27; then and in every such case the whole of said principal sum hereby secured shall, at once at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor; provided, however, that if a default under subsection (e) of this Paragraph 13 be such that it cannot be corrected within the applicable cure period, Mortgagor shall not be in default if corrective action is initiated by Mortgagor within such period and diligently pursued until completion, with such default to be, in all events, cured within sixty (60) days.

14. Foreclosure; Expense of Litigation. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof and/or exercise any right, power or remedy provided in this Mortgage or any of the other Loan Documents. In any suit to foreclose the lien hereof or enforce any other remedy of Mortgagee under this Mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate and shall be secured by this Mortgage.

15. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure (or partial foreclosure) sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items mentioned in Paragraph 14 hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, to the principal remaining unpaid on the Note; fourth,

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to interest remaining unpaid on the Note; and lastly, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

16. Appointment of Receiver. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any Holders may be appointed as such receiver. Such receiver shall have power: (a) to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (i) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (ii) if this is a leasehold mortgage, all rents due or which may become due under the underlying lease; and (iii) the deficiency in case of a sale and deficiency.

17. Assignment of Rents and Leases. To further secure the indebtedness secured hereby, Mortgagor hereby sells, assigns and transfers unto Mortgagee all the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such leases and agreements, and all the avails thereunder, to Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the Premises as provided in Section 19 hereof) to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms as Mortgagee shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and

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every of the leases and agreements, written or oral, or other tenancy existing, or which may hereafter exist on the Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Section 19 hereof. Notwithstanding the foregoing provisions of this Section 17, so long as no Event of Default shall exist under the Note, Mortgage or any other Loan Documents, Mortgagor shall have the right and license to collect, use and enjoy all rents and other sums due or to become due under and by virtue of any lease as they respectively become due, but not more than thirty (30) days in advance.

Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than one installment in advance without Mortgagee's prior written consent and that the payment of none of the rents to accrue for any portion of the said Premises has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by Mortgagor. Mortgagor waives any rights of set off against any person in possession of any portion of the Premises. If any lease provides for the abatement of rent during repair of the Premises demised thereunder by reason of fire or other casualty, Mortgagor shall furnish to Mortgagee rental insurance, the policies to be in amount and form and written by such insurance companies as shall be satisfactory to Mortgagee. Mortgagor agrees that it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the taking of actual possession of the Premises by Mortgagee pursuant to Paragraph 19 hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the Premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the Premises as Mortgagee shall from time to time require.

Although it is the intention of the parties that the assignment contained in this Paragraph 17 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this section until an Event of Default shall exist under this Mortgage or the Note.

18. Observance of Lease Assignment. In the event Mortgagor, as additional security for the payment of the indebtedness described in and secured hereby, has sold, transferred and assigned, or may hereafter sell, transfer and assign, to Mortgagee, its successors and assigns, any interest of Mortgagor as lessor in any lease or leases, Mortgagor expressly covenants and agrees that if Mortgagor, as lessor therein, shall fail to perform and fulfill any material term, covenant, condition or provision in said lease or leases, or any of them, on its part to be performed or fulfilled, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any material breach or default under the provisions of any assignment

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of any lease or leases of the Premises given as additional security for the payment of the indebtedness secured hereby, then and in any such event, such breach or default shall constitute a default hereunder unless cured within twenty-one (21) days after notice from Mortgagee, and at the option of Mortgagee, and without notice to Mortgagor, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the Note or in this Mortgage to the contrary, become due and payable as in the case of other defaults; provided, however, that Mortgagor shall not be in default if corrective action is initiated by Mortgagor within such period and diligently pursued to completion, so long as the corrective action is completed within ninety (90) days from the date that Mortgagor receives notice of such default.

19. Mortgagee's Right of Possession in Case of Default. In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagor shall forthwith, upon demand of Mortgagee, surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises personally or by its agents or attorneys, subject to the rights of existing tenants. In such event Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said Premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Premises relating thereto, and may exclude Mortgagor and its employees, agents or servants wholly therefrom, and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power:

- (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;
- (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof;
- (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases, may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

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- (d) to enter into any management, leasing or brokerage agreements covering the Premises;
- (e) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as to it may seem judicious;
- (f) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and
- (g) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any lease. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest at the Default Rate, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

20. Application of Income Received by Mortgagee. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

- (a) to the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;
- (b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease;
- (c) to the payment of all maintenance, repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, and

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of placing the Premises in such condition as will, in the reasonable judgment of Mortgagee, make it readily rentable;

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

21. Mortgagee's Right of Inspection. Mortgagee and/or its representatives shall have the right to inspect the Premises at all reasonable times upon reasonable prior notice and access thereto shall be permitted for that purpose.

22. Condemnation. Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or to require Mortgagor to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on said Premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. In the event Mortgagor is required or authorized by Mortgagee's election as aforesaid to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in Paragraph 6 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost or rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto.

23. Release Upon Payment and Discharge of Mortgagor's Obligations; Partial Release. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby, including payment of reasonable expenses incurred by Mortgagee in connection with the execution of such release. Any such partial release shall not impair in any manner the validity or priority of this Mortgage on the portion of the Premises or the security remaining, nor release the personal liability of any person, persons or entity obligated to pay any indebtedness secured hereby, for the full amount of the indebtedness remaining unpaid.

24. Giving of Notices. Any notice or demand which any party hereto may be required or may desire to give hereunder shall be in writing and shall be personally delivered or mailed, postage prepaid, by United States registered or certified mail, return receipt requested, or via facsimile with a copy deposited in the United States mail on the same day with proof of transmission enclosed or by overnight courier, addressed as follows:

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(a) If to Mortgagor:

Joseph Zivkovic and Steven J. Livaditis
1122 West Wrightwood Avenue
Chicago, IL 60602
Facsimile No. _____

With a copy to:

Oxford Bank & Trust
1100 West Lake Street
Addison, IL 60101
Attention: Land Trust No. 888
Facsimile No. 630/628-1575

(b) If to Mortgagee:

Oxford Bank & Trust
1100 West Lake Street
Addison, IL 60101
Attention: Frank Lakofka
Facsimile No. 630/628-1575

With a copy to:

Aronberg Goldgehn Davis & Garmisa
One IBM Plaza, Suite 3000
Chicago, Illinois 60611
Attention: Ned S. Robertson
Facsimile No. 312/828-9635

Any party may designate a different address for notice purposes by giving notice thereof in accordance with this paragraph; provided, however, that such notice shall not be deemed given until actually received by the addressee. Any notice given by United States mail shall be deemed given on the second business day after it shall have been deposited in the United States mail as aforesaid, or if sent by overnight courier, on the next business day, or on the same day if sent by fax prior to 4:00 p.m. CST on a business day.

25. Waiver of Defense. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

26. Waiver of Right of Redemption. At the written request and direction of Mortgageor's beneficiary, if applicable, Mortgagor hereby releases and waives any and all rights to retain possession of the Premises after the occurrence of an Event of Default hereunder and

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any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights therein granted, on behalf of Mortgagor, the trust estate of Mortgagor, all persons and entities interested beneficially in Mortgagor and each and every person (except judgment creditors of Mortgagor, in its representative capacity as Trustee of the Trust and/or the trust estate) acquiring any interest in, or title to, the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of 735 ILCS 5/15-1601 (1992) or other applicable law or replacement statutes.

27. Transfer of Title. In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Mortgagor or Mortgagor's beneficiary, if applicable, or Guarantor, if any, found the same to be acceptable and relied and continues to rely upon same as the means of repayment of the Note. Mortgagor and Mortgagor's beneficiary, if applicable, further recognize that any secondary or junior financing placed upon the Premises, or the beneficial interest of the beneficiary in Mortgagor (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrance which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and (d) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor and Mortgagor's beneficiary, if applicable; (iii) allowing Mortgagee to raise the interest rate and collect assumption fees; and (iv) keeping the Premises and the beneficial interest free of subordinate financing liens, Mortgagor, Mortgagor's beneficiary, if applicable, and any Guarantor agree that if this paragraph be deemed a restraint on alienation, that it is a reasonable one, and that, any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises, the beneficial interest in the Mortgagor or any interest in the Premises or said beneficial interest (whether voluntary or by operation of law), including without limitation, the entering into of an installment agreement for the sale of the Premises or the beneficial interest in Mortgagor, the placement or granting of liens on all or any part of the Premises or said beneficial interest or the placement or granting of chattel mortgages, conditional sales contracts, financing or security agreements which would be or create a lien on the personal property utilized in the operation of the Premises, or the placement or granting of a mortgage commonly known as a "wrap around" mortgage or an improvement loan, without Mortgagee's prior written consent shall be a default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Premises and, therefore, a default hereunder:

(a) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, all or any part of the title to the Premises or the beneficial interest in, or power of direction under, the trust agreement with Mortgagor, if applicable; or

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(b) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any shares of stock of Mortgagor (if a corporation) or of the corporation which is the beneficiary or one of the beneficiaries under the trust agreement with Mortgagor, if applicable, or of any corporation directly or indirectly controlling such beneficiary corporation; or

(c) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any general partnership interest of the limited partnership or the general partnership which is the Mortgagor or the beneficiary or one of the beneficiaries under the trust agreement with Mortgagor; or

(d) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any share of any corporation directly or indirectly controlling any such general or limited partnership.

Any consent by Mortgagee, or any waiver by Mortgagee of a default under this Paragraph 27 shall not constitute a consent to, or waiver of any right, remedy or power of Mortgagee upon a subsequent default under this Paragraph 27. Mortgagor acknowledges that any agreements, liens, charges or encumbrances created in violation of the provisions of this Paragraph 27 shall be void and of no force or effect.

In the event Mortgagee gives its written consent to the sale or transfer, whether by operation of law, voluntarily, or otherwise, of all or any part of the Premises, Mortgagee shall be authorized and empowered to deal with the vendee or transferee with regard to the Premises, the indebtedness secured hereby, and any of the terms or conditions hereof as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from any of its covenants hereunder, and without waiving Mortgagee's right of acceleration as provided herein.

28. Furnishing of Financial Statements to Mortgagee. Beneficiary shall furnish Mortgagee with copies of their Federal income tax returns no later than four (4) months after the end of each calendar year during the term of the loan.

29. Definitions. (a) The term "Default Rate" as used herein shall mean interest at the rate of four percent (4%) per annum in excess of the annual rate due under the Note from time to time; (b) the word "Mortgagor" when used herein shall include the original Mortgagor named in the preambles hereof, its successors and assigns, and all owners from time to time of the Premises; (c) the word "beneficiary" when used herein shall mean any and all of the beneficiaries of the trust of Mortgagor, including the general partners of any general or limited partnership which is a beneficiary of the trust; (d) the word "Guarantor" when used herein shall mean any and all of the guarantors of the Note; and (e) the words "holders" and "Mortgagee" when used herein shall include all successors and assigns of the original holder of the Note and Mortgagee identified in the preambles hereof.

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30. Binding on Successors and Assigns. This Mortgage and all provisions hereof shall be binding upon Mortgagor and all persons claiming under or through Mortgagor, and shall inure to the benefit of the Holders from time to time of the Note and of the successors and assigns of the Mortgagee.

31. Captions. The captions and headings of various sections of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

32. Mortgagee's Lien for Service Charge and Expenses. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of the loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee in connection with the loan to be secured hereby, all in accordance with the Note and this Mortgage. Mortgagor acknowledges that Mortgagee has bound itself to make advances under the Note and that all such future advances shall be a lien from the time this Mortgage is recorded, as provided in the Illinois Mortgage Foreclosure Law 735 ILCS 5/15-1101, et seq (the "Act").

33. Business Purpose. Mortgagor represents and agrees that the obligation secured hereby is an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. 1601 *et seq.*, and a business loan which comes within the purview of subsection (c) of Section 4 of "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," 815 ILCS 205/4, and that the proceeds of the obligation secured hereby will not be used for the purchase of registered equity securities within the purview of Regulation "U" promulgated by the Federal Reserve System.

34. Security Agreement and Financing Statement. Mortgagor and Mortgagee agree: (a) that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to all sums on deposit with Mortgagee pursuant hereto ("Deposits") and with respect to any property included in the definition herein of the word "Premises," which property may not be deemed to form a part of the real estate described herein or may not constitute a "fixture" (within the meaning of Section 9-334 (810 ILCS 5/9-334) of the Code), and all replacements of such property, substitutions for such property, additions to such property, books and records relating to the Premises and operation thereof and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (b) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee; and (c) that the Deposits and all of Mortgagor's right, title and interest therein are hereby collaterally assigned to Mortgagee; all to secure payment of the indebtedness hereby secured and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.

Upon the occurrence of an Event of a Default hereunder, Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property and the Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. Mortgagee and

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Mortgagor agree that if Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, five (5) days notice of the sale of the Collateral shall be reasonable notice. The expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. Mortgagor agrees that, without the written consent of Mortgagee, Mortgagor will not remove or permit to be removed from the Premises any of the Collateral except that so long as Mortgagor is not in default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, but only upon replacing the same or substituting for the same other Collateral at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby.

Mortgagor authorizes Mortgagee to file such financing statements relating to the Collateral as Mortgagee may deem necessary from time to time. In addition, Mortgagor shall, from time to time, upon written request of Mortgagee and at Mortgagor's sole cost, deliver to Mortgagee: (i) such further security documents and assurances as Mortgagee may reasonably require, to the end that the liens and security interests created hereby shall be and remain protected and perfected in accordance with the requirements of any present or future law; and (ii) an inventory of the Collateral in reasonable detail. Mortgagor represents and covenants that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereof, unless the Mortgagee otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others. If the Collateral is sold in connection with the sale of the Premises, Mortgagor shall notify the Mortgagee prior to such sale and shall require as a condition of such sale that the purchaser specifically agrees to assume Mortgagor's obligations as to the security interests herein granted and to execute whatever agreements and filings are deemed necessary by the Mortgagee to maintain Mortgagee's first perfected security interest in the Collateral and the Deposits.

35. Partial Invalidity; Maximum Allowable Rate of Interest. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage and the Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage or the Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Mortgage and the Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Mortgage and the Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this Mortgage and the Note shall continue in full force and effect. All

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agreements herein and in the Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance of the Note, or otherwise, shall the amount paid or agreed to be paid to the Holders for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if from any circumstance the Holders shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due under the Note and not to the payment of interest.

36. Environmental Laws. (a) Trustee represents and Beneficiary represents and warrants that: (i) neither Mortgagor, nor to the best knowledge of Mortgagor, any other person or entity has ever caused or permitted nor will Mortgagor cause to be any Hazardous Material (as hereinafter defined) to be generated, released, stored, disposed of, buried or deposited over, beneath, in or upon, the Premises or any part thereof or from the Premises into the atmosphere or any watercourse, body of water, ground water, wetlands or publicly or privately owned well or onto any other parcel of property; or which have been or will be used in the construction of buildings and improvements of any nature whatsoever on the Premises; or to the best of Mortgagor's knowledge, over, beneath, in or on adjacent parcels or parcels in the immediate vicinity of the Premises; (ii) Mortgagor has conducted or have caused to be conducted appropriate inquiry into the current and previous uses of the Premises in a manner consistent with good commercial or customary practice for purposes of meeting the standards for an "Innocent Purchaser" under CERCLA (as hereinafter defined); (iii) Mortgagor's operations and the Premises are in compliance with all Environmental Laws; (iv) no permits are held or required to be held nor are any registrations or notices required to be made with respect to the Premises under any Environmental Laws; (v) none of the Premises has ever been used (whether by Mortgagor or, to the best of Mortgagor's knowledge, by any other person) as a treatment, storage or disposal (whether permanent or temporary) site for any Hazardous Material; (vi) the Mortgagor has not received any notice of any violations of (and they are not aware of any existing violations) any Environmental Laws and, to the best of Mortgagor's knowledge, there have been no actions commenced or threatened by any party against Mortgagor or the Premises for noncompliance with any Environmental Laws; and (vii) no lien, encumbrance or preferential arrangement of any kind for any liabilities arising under any Environmental Laws has attached to, or been asserted against, all or any portion of the Premises.

(b) For purposes hereof: (i) the term "Environmental Laws" means and includes, without limitation, any federal, state or local law, statute, regulation or ordinance and any order, judgment or decree of any court or administrative body now or hereafter enacted or issued, relating to any Hazardous Material or pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Premises, including without limitation each of the following: the Comprehensive

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Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901 et seq.; the Toxic Substance Control Act, as amended, 15 U.S.C. § 2601 et seq.; the Illinois Environmental Protection Act, as amended ("IEPA"), 415 ILCS 5/1 et seq.; the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.; the Federal Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the National Environmental Policy Act of 1975, as amended, 42 U.S.C. § 4321 et seq.; and the rules, regulations and ordinances of the U.S. Environmental Protection Agency and the County of Cook and of all other agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Premises or the use or operation thereof; and (ii) the term "Hazardous Material" means and includes, without limitation: (1) those substances included within the definitions of "hazardous substance," "hazardous waste," "toxic substance," "solid waste," "pollutant" or "contaminant" in any Environmental Laws; and (2) any material, waste or substance which is any of the following: (A) asbestos or any material composed of or containing asbestos; (B) polychlorinated biphenyls; (C) petroleum or any petroleum based substance or waste or any constituent of any such substance, waste or product; (D) highly flammable or explosive; or (E) radioactive; and (iii) those other substances, materials and wastes which are or become regulated under any Environmental Laws, or which are or become classified as hazardous or toxic by any Environmental Laws

(c) Mortgagor covenants and agrees that Mortgagor will indemnify, hold harmless, and defend Mortgagee and any current or former officer, director, employee or agent of Mortgagee (individually an "Indemnitee" and collectively, the "Indemnitees"), immediately upon demand by any Indemnitee from any and all claims, losses, damages, liabilities, injuries, response costs, fines, penalties, clean-up costs and expenses arising out of or in any way relating to: (i) the existence of Hazardous Material over, beneath, in or upon the Premises, or the escape, seepage, leakage, spillage, discharge, emission, transportation or release from the Premises of any Hazardous Material into the atmosphere or any watercourse, body of water, ground water, wetlands or publicly or privately owned well, or onto any other parcel of property; (ii) any non-compliance with IRPTA; (iii) any violation or alleged violation of any Environmental Laws, regarding, arising out of or in connection with the Premises or the operations of Borrower; or (iv) the breach of any of the representations, warranties, covenants and agreements set forth in the foregoing paragraphs hereof; with such claims, losses, damages, response costs, clean-up costs and expenses including, but not limited to: (a) claims of third parties (including, but not limited to, governmental agencies) for damages, fines, penalties, response costs, clean up costs, injunctive or other relief; (b) costs and expenses of clean-up, removal, or containment whether incurred by Mortgagee or any third parties, including fees of attorneys and experts, and costs of reporting the existence of Hazardous Material to any governmental agency; and (c) any and all expenses or obligations incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses. The representations, warranties, covenants and

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agreements contained herein and the obligations of Mortgagor to indemnify Mortgagee and the other Indemnitees with respect to the expenses, damages, losses, costs, damages and liabilities set forth in the foregoing paragraphs shall not be limited to the amount of the Note and shall survive the foreclosure of any liens on the Premises in favor of Mortgagee or a third party or the conveyance thereof by deed in lieu of foreclosure (and shall not be limited to the amount of any deficiency in any foreclosure sale of Property), repayment of all amounts due under the Note, the cancellation of the Note, and the satisfaction and release of the Mortgage and the release of any and all other loan documents evidencing the termination of the lending relationship between Borrower and Mortgagee, and shall continue to be the personal liability, obligation and indemnification of Mortgagor forever; provided, however, that the foregoing indemnity shall not extend to claims, costs, fees, damages, penalties or liability of any kind or nature whatsoever resulting from the acts of Indemnitees or events taking place at any time when Indemnitees are in possession and/or control of the Premises.

37. Intentionally Omitted

38. Remedies Cumulative and Non-Waiver No remedy or right of the Mortgagee hereunder or under the Note, or any of the other Loan Documents or otherwise, or available under applicable law, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document or under applicable law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or a different nature, nor shall it extend or affect any grace period. Every such remedy or right may be exercised concurrently or independently, when and as often as may be deemed expedient by the Mortgagee. All obligations of the Mortgagor and all rights, powers, and remedies of the Mortgagee expressed herein shall be in addition to, and not in limitation of, those provided by law or in the Note or in any of the Loan Documents or any other written agreement or instrument relating to any of the indebtedness secured hereby or any security therefor.

39. Waiver of Trial by Jury. TO INDUCE MORTGAGEE TO ACCEPT THE NOTE, MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHTS WHICH MORTGAGOR MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDINGS IN WHICH MORTGAGOR AND MORTGAGEE ARE ADVERSE PARTIES, IN CONNECTION WITH THE NOTE OR ANY OF THE OTHER LOAN DOCUMENTS.

40. Consent to Jurisdiction; Service of Process. TO INDUCE MORTGAGEE TO ACCEPT THE NOTE, MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OF THE NOTE, THIS MORTGAGE OR ANY OF THE OTHER LOAN DOCUMENTS SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE CITY OF CHICAGO, ILLINOIS, AND MORTGAGOR

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HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING SITUS IN SAID CITY OF CHICAGO, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND CONSENTS THAT, AT MORTGAGEE'S OPTION, ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO MORTGAGOR AT THE ADDRESS FOR MORTGAGOR INDICATED IN SECTION 24 ABOVE.

41. Compliance with Illinois Mortgage Foreclosure Law.

(a) In the event that any provision of this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in Paragraphs 11 or 14 of this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

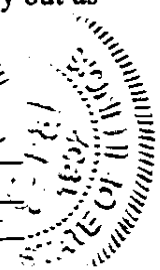
42. Exculpation. This Mortgage is executed by the Trustee, not personally, but solely as Trustee of the Trust in the exercise of the power and authority conferred upon and vested in it as such Trustee (and the Trustee hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on the Trustee personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing thereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder; provided that nothing herein contained shall be construed in any way so as to affect or impair the lien of this Mortgage or Mortgagee's right to the foreclosure thereof, or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee in any such foreclosure proceedings or any other remedy allowed by law or statute or by the terms of the Mortgage or any other security instrument to enforce the terms of this Mortgage or the Note or other security instruments against the beneficiary hereof.

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IN WITNESS WHEREOF, Mortgagor has caused these presents to be executed the day and year first above written.

OXFORD BANK & TRUST, not personally but as Trustee as aforesaid

By: Irene S. Nowicki
 Name: Irene S. Nowicki
 Title: VP + Trust Officer

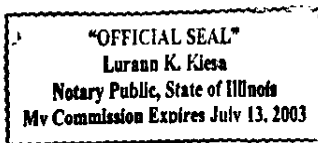


ATTEST: FRANK H. LUKOVKA
 Name: FRANK H. LUKOVKA
 Title: SVP

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

The undersigned, a Notary Public in and for said County, in the State aforesaid, does hereby certify that Irene S. Nowicki, the VP of OXFORD BANK & TRUST, and FRANK H. LUKOVKA, the SVP of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such VP and SVP, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 15th day of October, 2002.



Lurann K. Kiesa
 Notary Public

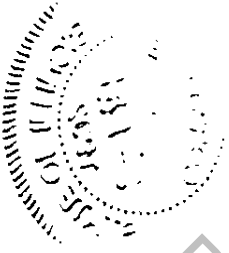
JOINDER BY BENEFICIARY

The undersigned, being the sole beneficiaries of Oxford Bank & Trust, as Trustee under Trust Agreement dated June 1, 2001 and known as Trust Number 888, hereby execute this Mortgage for the purpose of joining herein, making the assignments, grants of security interests, transfers and conveyances hereunder, and making, undertaking and agreeing to the covenants, agreements, obligations and representations herein, all in accordance with and subject to the following:

21440657

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A. The Beneficiary hereby grants to the Mortgagee, as security for the indebtedness, a security interest in all of the property and improvements and other property mortgaged hereunder which constitute fixtures under the Uniform Commercial Code and also all of said property which constitutes personal property not constituting a part and parcel of the real estate, as more fully described in the Preambles and Paragraph 34 of the Mortgage.

B. The Beneficiary hereby assigns to Mortgagee, as security for the indebtedness, all of the rents, issues, and profits and all of the leases, letting, and other agreements for the use and occupancy of the Premises, now or hereafter made, as more fully described in Paragraph 18 of the Mortgage.

C. The Beneficiary hereby covenants and agrees to be bound by, and to be deemed to have entered into and made, all of the Mortgagor's covenants, agreements, obligations and representations (which shall constitute representations and warranties of the Beneficiary) under the Mortgage with the same force and effect as if they were fully set forth herein.

Executed, this 9 day of October, 2002.



Joseph Zivkovic

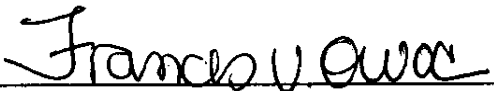


Steven J. Livaditis

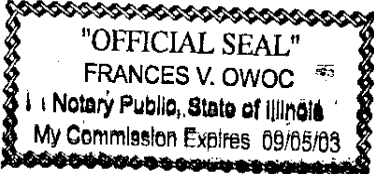
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County, in the State aforesaid, does hereby certify that Joseph Zivkovic, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 09 day of October, 2002.



Notary Public



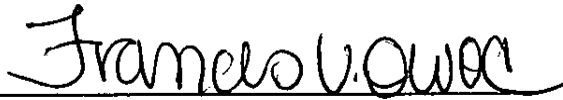
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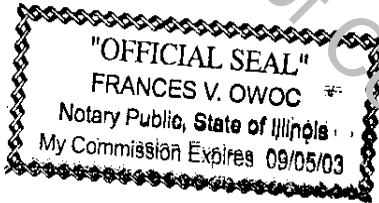
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County, in the State aforesaid, does hereby certify that Steven J. Livaditis, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 9 day of October, 2002.



Notary Public



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EXHIBIT A

Legal Description

Lots 27 through 34, both inclusive, in Block 1 in Pickett's Addition to Chicago, a Subdivision of Lots 3 and 8 in Assessor's Division of Part of the Northeast Quarter of Section 6, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

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