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JUNIOR MORTGAGE, ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT

16.00

THIS JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (hereinafter called the "Mortgage") is made this 10th day of December, 1985, between AMERICAN NATIONAL BANK & TRUST COMPANY, not personally, but as Trustee of Trust No. 65519 dated September 16, 1985 (hereinafter called the "Grantor"), the sole beneficiaries of which are Gerald Gorski and Michael Esposito, and the CITY OF CHICAGO, a municipal corporation, having its principal office at City Hall, Chicago, Illinois 60602 (hereinafter called the "Grantee");

W I T N E S S E T H:

WHEREAS, the Gerald Gorski and Michael Esposito ("Borrowers"), have executed and delivered to the Grantee a Note in the principal amount of $104,719, payable to Grantee and of even date herewith (hereinafter the "Note"); and

WHEREAS, the Grantee is desirous of securing the payment of the Note together with interest thereon in accordance with the terms of the Note, and any additional indebtedness accruing to the Grantee on account of any future payments, advances or expenditures made by the Grantee pursuant to the Note or this Mortgage; and

NOW, THEREFORE, to secure the performance and observance by the Borrowers of all the terms, covenants and conditions in the Note and in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, the receipt and sufficiency whereof is hereby acknowledged, the Grantor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto the Grantee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as the "Mortgaged Property"),

(A) All those certain tracts, pieces or parcels of land and the easements, if any, more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter called the "Land");

(B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by the Grantor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing;

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(C) The rents and issues of the Land and Improved Land from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of the Grantor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto the Grantee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, the Grantor hereby further grants unto the Grantee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the indebtedness secured hereby, and (b) performance of each and every of the covenants, conditions and agreements contained in this Mortgage, in the Note, in the Redevelopment Agreement with Lender all of even date herewith, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage or which secures the Note.

AND the Grantor covenants and agrees with Grantee that:

ARTICLE I

1.01 Taxes and Assessments

(a) The Grantor will pay or cause to be paid, when due, all general taxes and assessments, special assessments, water charges and all of the charges against the premises and shall, upon written request, furnish to Grantee receipts evidencing payment thereof, provided that nothing contained herein shall restrict Grantor's right to contest such taxes, assessments or charges.

(b) The Grantor will not suffer (unless bonded over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property.

1.02 Insurance

The Grantor will procure for, deliver to and maintain for the benefit of the Grantee during the term of this Mortgage, a policy or policies insuring the Mortgaged Property against fire, lightning, extended coverage, vandalism and malicious mischief and such other insurable perils in commercially reasonable amounts. The policy shall contain a Grantee's loss payable endorsement and shall provide for at least 30 days notice to Grantee prior to the expiration date of each such policy.

1.03 Care of the Property

(a) The Grantor will preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. The Grantor will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Grantor will immediately give written notice of the same to the Grantee.

(c) The Grantee or its representatives has the right, subject to the rights of tenants, to inspect the Mortgaged Property at all reasonable times upon twenty-four (24) hours prior written notice to Grantor, and access thereto shall be permitted for that purpose.

(d) The Grantor will promptly comply, and cause the Mortgaged Property and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof or the use or occupancy thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property, or any part thereof or the use or occupancy thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, the Grantor will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Grantor for that purpose.

1.04 Subordination

This Mortgage shall be subject and subordinate in all respects to the Mortgage and Security Agreement of Citizens Bank and Trust Co. in the amount of $125,000 plus additional amounts actually advanced upon a failure of Borrower to perform its obligations thereunder ("Senior Financing") dated December 10, 1985.

1.05 Assignment of Rents

Notwithstanding anything hereinbefore to the contrary, it is mutually agreed between Grantor and Grantee that so long as there shall exist no default by Borrowers in the payment of the Note, or in the performance by Grantor of its obligations hereunder, Grantor shall have the right to collect all rents, security deposits, income and profits from the Mortgaged Property and to retain, use and enjoy the same.

ARTICLE II

2.01 Events of Default

The terms "Event of Default" or "Events of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Failure by Grantor to duly observe or perform any material term, covenant, condition, or agreement of this Mortgage after the expiration of all Cure Periods (as hereinafter defined);

(b) Failure of Borrowers to duly observe or perform any material term covenant, condition, or agreement of the Note, or Redevelopment Agreement after the expiration of all Cure Periods; or

(c) The filing by the Borrowers or Grantor of a voluntary petition in bankruptcy or the adjudication of any one as bankrupt or insolvent, or the filing by any of the aforesaid, of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, or any of the aforesaid's seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of itself or any portion of its assets or of all or any part of the Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof, or the making of any general assignment for the benefit of creditors, or the admission in writing of its inability to pay its debts generally as they become due; or

(d) The entry by a court of competent jurisdiction of an order, judgment or decree approving a petition filed against the Borrowers or Grantor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other similar relief for debtors, which order, judgment or decree remains unvacated or unstayed for an aggregate of sixty (60) days from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of Borrowers Grantor of all or any part of the Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof without its consent or acquiescence, which appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days.

(e) A default continuing beyond all applicable cure periods under the Senior Financing and permitting foreclosure thereunder.

2.02 Acceleration of Maturity

(a) If a Monetary Event of Default shall have occurred under this Mortgage, the Note or the Redevelopment Agreement and should continue for ten (10) days, the entire indebtedness secured hereby shall at Grantee's sole option become immediately due and payable without notice or demand.

(b) If a Non-Monetary Event of Default shall have occurred under this Mortgage, the Note or the Redevelopment Agreement, Grantee shall send notice thereof to Borrowers and Grantor and if such default is not cured within sixty (60) days thereafter, the entire indebtedness secured hereby shall immediately become due and payable without notice or demand; provided, however, that in the event such default cannot reasonably be cured within such sixty (60) day period and if Borrowers or Grantor as the case may be, has commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default (the time periods referred to in subparagraph (a) and this subparagraph (b) hereinafter referred to as the "Cure Period").

(c) Except as otherwise permitted in the Redevelopment Agreement, which is hereby incorporated herein by reference, a sale, partial sale, refinancing, syndication or other disposition of the Property; provided, however, the replacement of substitution of any machinery, equipment or fixtures, now owned or hereafter acquired by Grantor, with machinery or equipment of like kind and value, whether or not such machinery or equipment is deemed a fixture under applicable provisions of the Illinois Uniform Commercial Code, will not be an Event of Default under this Mortgage provided Grantor executes such documents as may be necessary to assure Grantee of a continuing perfected secured second interest in such replacement or substituted machinery, equipment or fixtures.

2.03 Grantee's Right to Enter and Take Possession, Manage and Apply Revenues

(a) If an Event of Default shall have occurred and continue after notice and expiration of the Cure Period, the Grantor, upon demand of the Grantee shall forthwith surrender to the Lender the actual possession, and if and to the extent permitted by law, the Grantee itself, or by such officers or agents as it may appoint, may enter and take possession, of all or any part of the Mortgaged Property, and may exclude the Grantor and its agents and employees wholly therefrom, and may have joint access with the Grantor's to the books, papers and accounts of the Grantor directly relating to the Mortgaged Property.

(b) If the Grantor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by the Grantee after expiration of the Cure Period, the Grantee may obtain a judgment or decree conferring on the Grantee

the right to immediate possession or requiring the delivery of immediate possession of all or part of such Mortgaged Property to the Grantee.

(c) Upon every such entering upon or taking of possession, the Grantee may hold, store, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of the Grantor and Borrowers to the same extent as the Grantor or the Borrowers could in their own names or otherwise with respect to the same (except that Grantee shall not be entitled to operate the business of Borrowers); and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to the Grantee, all as the Grantee from time to time may reasonably determine to be to its best advantage. The Grantee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable (aa) all expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacement, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as the Grantee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation expenses and disbursements of the attorneys and agents of the Grantee shall apply the remainder of the monies and proceeds so received by the Grantee first to payment of accrued interest; and second to the payment of principal. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts (including, without limitation, the entire outstanding principal balance under the Note) shall be paid to Borrowers.

(d) The Grantee shall have no liability to Grantor or Borrowers for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

2.04 Receiver

If an Event of Default shall have occurred after the Cure Period has expired and be continuing, the Grantee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver

3.02 Terminology

All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage itself, and all references herein to Articles, Sections or Paragraphs shall refer to the corresponding Articles, Sections or Paragraphs of this Mortgage unless specific reference made to such Articles, Sections or Paragraphs of another document or instrument.

3.03 Severability

If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

3.04 Applicable Law

This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois.

3.05 Security Agreement

This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. The Grantee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded the Grantee by this Mortgage or any other agreement.

3.06 Modification

No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

3.07 No Merger

It being the desire and intention of the parties hereto that the Mortgage and the lien thereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should the Grantee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by the Grantee as evidenced by an appropriate document duly recorded, this Mortgage

and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

3.08 Exculpatory Clause

This Mortgage is executed by the Grantor, not personally, but as Trustee as aforesaid, in the exercise of power and authority conferred upon and vested in it as such Trustee (and said Trustee in its personal and individual capacity hereby states that it as Trustee possesses full power and authority to execute this instrument) and it is expressly understood and agreed by the Grantee and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on said Trustee in its individual capacity personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenant, either expressed or implied, herein contained, all such liability, if any, being expressly waived, but this waiver shall in no way affect the liability of any guarantor of the Note or any other person or entity executing the Note or this Mortgage.

IN WITNESS WHEREOF, the undersigned has executed the foregoing instrument the date and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY, not personally but as Trustee under Trust No.65519

By: _____
Title: _____

ATTEST:

By: _____
Title: _____

COOK COUNTY, ILLINOIS
FILED FOR RECORD

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STATE OF ILLINOIS
COUNTY OF COOK } ss.

I, GWEN L. SHEPARD, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that PETER H. JOHANSEN 2nd Vice-President of the *AMERICAN NATIONAL BANK AND TRUST COMPANY* of Chicago, and SUZANNE G. BAKER Assistant Secretary of said Company, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President, and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said Company, did affix the corporate seal of said Company to said instrument as his own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 23rd day of December A.D. 1985

Gwen L. Shepard
Notary Public

Form 1308

EXHIBIT A

LEGAL DESCRIPTION

Lot 6 (except the east 10 feet) and all of lots 7, 8, 9, and 10 in Block 2 in Gunn's Subdivision of the North 30 acres of the West 1/2 of the East 1/2 of the South West 1/4 of Section, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

85 335 135

P.T. 13-22-304-055 BM
4543-55 W. Addison
Chicago, Ill.

Mailed

CTI
attn: H. Fuelby
111 W. Washington
Chgo 60602
(9934)

Doc 0220

BOX 333 - HV