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MORTGAGE

THIS MORTGAGE, dated as of March 6, 19 87 between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but as Trustee under the provisions of a Deed or Deeds in trust duly recorded and delivered to said Bank in pursuance of a Trust Agreement dated November 26, 1985, and known as trust number 66133, herein referred to as "Mortgagor",

WITNESSETH

THAT WHEREAS, Mortgagor has executed a Note dated March 6, 19 87 in the aggregate principal sum of THREE HUNDRED EIGHTY FOUR THOUSAND AND 00/100 DOLLARS (\$384,000.00), made payable to the order of PATHWAY FINANCIAL, a Federal Association of Chicago, Illinois, ("Mortgagee"), together with interest on the unpaid principal balance from date of disbursement, until paid, at the rate of ten and one-half percent (10.50%) per annum. Said principal and interest shall be payable as follows: Interest shall be computed from the date of each advance and shall be payable three (3) months from date of initial advance hereunder and successive interest payments shall be due on the first day of each successive three (3) month period thereafter. Interest shall be computed on the basis of a 360 day year and charged for the actual number of days elapsed. The entire outstanding principal balance and accrued interest thereon shall be due and payable October 8, 1988.

Each payment, unless paid when due under some of the indebtedness shall bear interest equal to the interest rate hereinabove stated plus two percent (hereinafter called "penalty rate"), and said payment being made payable at such place as the holders of the Note may, from time to time in writing appoint, and in the absence of such appointment, then at the office of the Mortgagee.

THAT, to secure the payment of the indebtedness evidenced by the Note, and also to secure the payment of any and all other indebtedness, direct or contingent, that now or hereafter become owing hereunder from Mortgagor to Mortgagee, Mortgagor does by these presents GRANT, ~~BARREN~~, SELL, CONVEY, MORTGAGE and QUIT CLAIM unto Mortgagee, its successors and assigns, the real estate situate, lying and being in the County of Cook, and State of Illinois, legally described as follows and which is referred to herein as the "premises":

Lot 12 in Block 6 in the Subdivision of Block 13 in Sheffield's Addition to Chicago in Section 32, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Property Address: 2128 N. Racine, Chicago, IL  
Permanent Index Number: 14-32-127-0000

Together with all buildings and improvements of every kind and description now or hereafter erected or placed, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the aforesaid real estate, and all fixtures and articles of personal property now or hereafter owned by Mortgagor and attached to or forming a part of or used in connection with the aforesaid real estate for the operation and convenience of any building or buildings and improvements located thereon, including, but without limitation, all furniture, furnishings, equipment, apparatus, machinery, motors, elevators, fittings, screens, awnings, partitions, carpeting, curtains and drapery hardware used or useful in the operation or convenience of the aforesaid real property or improvements thereon and all plumbing, electrical, heating, lighting, ventilating, refrigerating, incineration, air-conditioning and sprinkler equipment systems, fixtures and conduits (including but not limited to, all furnaces and hot-and-cold water

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equipment and systems), and all renewals or replacements thereof or articles in substitution therefore (but excluding property owned by Tenants of the premises), in all cases whether or not the same are or shall be attached to said building or aforesaid property owned by Mortgagor and placed on the aforesaid realty shall, so far as permitted by law, be deemed to be fixtures, a part of the realty, and security for the indebtedness hereby secured.

Notwithstanding the agreement and declaration hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and be appropriated to its use and deemed to be realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute goods (as said term is used in the Uniform Commercial Code of the state in which this Mortgage is recorded), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral in Mortgagee as a secured party, all in accordance with said Uniform Commercial Code.

Further, Mortgagor does hereby pledge and assign to Mortgagee, from and after the date hereof, primarily and on a parity with said real estate and not secondarily, all the rents, issues and profits of the premises and all rents, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing, and all deposits of money as advance rent or for security, under any and all present and future leases of the premises, and does hereby transfer and assign all such leases to Mortgagee together with the right, but not the obligation, to collect, receive and receipt for all avails thereof, to apply them to said indebtedness and to demand, sue for and recover the same when due or payable. Mortgagee by acceptance of the Mortgage agrees, as a personal covenant applicable to Mortgagor only, and not as a limitation or condition hereof and not available to any lessee or tenant, that until a default shall be made or an event shall occur, which under the terms hereof shall give to Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such avails.

TO HAVE AND TO HOLD the premises unto Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

Mortgagor covenants and agrees:

1. To pay or cause to be paid, when due, all sums secured hereby.
2. Not to abandon the premises; to keep the premises in good condition and repair and not to commit or suffer waste; to pay for and complete within a reasonable time any building at any time in the process of erection upon the premises; to promptly repair, restore or rebuild any building or improvement now or hereafter on the premises which may become damaged or destroyed; to refrain from impairing or diminishing the value of the security; to make no material alterations of the premises.
3. To comply with all requirements of law or municipal ordinances governing the premises and the use thereof; and to permit Mortgagee, or its agents, to inspect the premises at all reasonable times.
4. To keep the premises free from mechanic's or other liens or claims for liens of any kind; to pay or cause to be paid, when due, any indebtedness which may be secured by a lien or charge on the premises; and, upon request, to exhibit to Mortgagee satisfactory evidence of the payment and discharge of such liens or claims.
5. To promptly pay all taxes and assessments assessed or levied under and by virtue of any state, federal or municipal law or regulation hereafter passed, against Mortgagee upon this Mortgage or the debt hereby secured, or upon its interest under this Mortgage.
6. To deliver to Mortgagee all original leases covering the premises which Mortgagee may at any time request, with proper assignments thereof; and neither to procure, permit nor accept any prepay-

ment of any rent nor to release any tenant from any obligation, at any time while the indebtedness secured hereby remains unpaid, without Mortgagee's written consent.

7. To keep all buildings, improvements, and betterments now or hereafter upon the premises insured against loss or damage by fire, lightning, windstorms, malicious mischief, vandalism, extended coverage hazards, and such other hazards (including hazards not now contemplated) as the Mortgagee may require to be insured against until the indebtedness secured by this Mortgage is fully paid, or in case of foreclosure, until expiration of the redemption period, in an amount sufficient to pay the full replacement cost of all such buildings, improvements and betterments.

Upon request of the Mortgagee, Mortgagor shall also provide liability insurance covering such liabilities (including liabilities which may arise under any law relating to intoxicating liquor) and with such monetary limits as the Mortgagee may require.

Mortgagor shall have the right to choose the companies, agents and brokers from which any insurance required under the terms of this Mortgage shall be obtained; provided, however, that the Mortgagee shall have the right to disapprove for reasonable cause any company, agent or broker selected by Mortgagor. If the Mortgagor fails to provide an insurer acceptable to Mortgagee, the Mortgagee may purchase insurance to cover the subject premises and charge all insurance premiums and costs to Mortgagor's loan. Policies for the hazard and liability insurance required under this Mortgage shall be delivered to and shall remain with the Mortgagee and in the case of insurance about to expire, renewal policies shall be delivered to and shall remain with the Mortgagee not later than ten (10) days prior to the respective dates of expiration. Each hazard insurance policy shall contain a lender clause in a form satisfactory to the Mortgagee, making the given policy payable to the Mortgagee, shall not contain any contribution clause, and shall by its terms not be subject to cancellation or material alteration in the absence of at least ten (10) days prior written notice to the Mortgagee.

In case of loss under the required hazard insurance policies, the Mortgagee is authorized to adjust, compromise and collect all claims thereunder without the consent of Mortgagor and to execute and deliver on behalf of Mortgagor all necessary proofs of loss, receipts, vouchers, releases and other such papers required to be signed by the insurance companies, and Mortgagor agrees to sign, upon demand, all receipts, vouchers and releases and other such papers required to be signed by the Mortgagee or by any insurance company. At the election of the Mortgagee the proceeds of any insurance claim may be applied to the reduction of the indebtedness secured by this Mortgage whether or not then due, may be applied to the cost of rebuilding or restoring of buildings, improvements and betterments on the premises or may be applied to both purposes in such proportion as the Mortgagee shall determine.

8. To deliver to Mortgagee, all policies of insurance with evidence of premiums prepaid (renewal policies to be delivered not less than ten days prior to the respective dates of expiration), and all abstracts of title, title guarantee policies, Torrens certificates of title and other evidence of title to the premises, all of which shall be held by Mortgagee without liability, and in the event of foreclosure of this Mortgage or transfer of title to the premises in extinguishment of said indebtedness, shall become the absolute property of Mortgagee.

9. Mortgagor shall pay all general real estate taxes, special assessments, water and sewer charges and all other taxes and charges against the premises or against the Mortgagee's interest under this Mortgage, under the Note or under any other Mortgage instrument, extraordinary as well as ordinary, unforeseen as well as foreseen, of every kind and nature whatsoever, including but not limited to assessments for local improvements and betterments. All taxes, assessments and charges which Mortgagor shall pay under the terms of the preceding sentence are hereinafter referred to as "Impositions". The Mortgagor

shall furnish the Mortgagee duplicate paid receipt within ten (10) days from date of payment. In the event that Mortgagor fails to pay all Impositions as above required, then the Mortgagee shall have the right to pay said Impositions and charge the Mortgagor's loan for same.

Mortgagor shall pay all Impositions when due and before any charge for non-payment attaches or accrues, except that Mortgagor shall pay any and all Impositions which shall have become payable at any time prior to the date of this Mortgage immediately upon learning of any such Impositions. Mortgagor agrees to deliver to the Mortgagee upon request duplicate receipts evidencing the payment of all taxes and other Impositions required to be paid by Mortgagor.

To prevent default under the foregoing agreement, Mortgagor shall pay when due in full under protest, in the manner provided by law, any tax, special assessment or other Imposition which Mortgagor shall desire to contest.

10. Notwithstanding any taking in eminent domain or injury to or decrease in value of the premises by any public or quasi-public authority or corporation, Mortgagor shall continue to pay interest on the entire principal sum secured until any such award or payment shall have been actually received by the Mortgagee and any reduction in the principal sum resulting from the application by the Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. Mortgagor hereby assign, transfer and set 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.

11. In the event of default in performance of any of Mortgagor's covenants or agreements herein contained, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor, if 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 any other lien, encumbrance, suit, title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the premises and the lien hereof shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereof at penalty rate stated in the Note. Mortgagee, making any payment hereby authorized relating to taxes or assessments, shall be the sole judge of the legality and validity thereof and of the amount necessary to be paid in satisfaction thereof.

12. If (a) default be made in payment, when due, of any sum secured hereby, or in any of the other covenants or agreements herein contained to be performed by Mortgagor herein or in the Agreement, or (b) if any proceedings be instituted or process issued (i) to enforce any other lien, charge or encumbrance against the premises, or (ii) to condemn the premises or any part thereof for public use, or (iii) against Mortgagor or any beneficiary thereof under any bankruptcy or insolvency laws, or (iv) to place the premises or any part thereof in the custody or control of any court through its receiver or other officer, and such proceedings are not dismissed or stayed on appeal or such process withdrawn within ten days after written notice to the Mortgagor; or (c) if Mortgagor makes any assignment for the benefit of creditors, or is declared a bankrupt, or if by or with the consent or at the instance of

Mortgagor, proceedings to extend the time of payment of the Note or to change the terms of this Mortgage be instituted under any bankruptcy or insolvency law; then:

(a) All sums secured hereby shall, at the option of Mortgagee, become immediately due and payable without notice, with the interest thereon, from the date of the first of any such defaults, at the penalty rate; and

(b) Mortgagee may immediately foreclose this Mortgage. The Court in which any proceeding is pending for that purpose may, at once or at any time thereafter, either before or after sale, without notice to Mortgagor, and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the premises, or whether the same shall be occupied as a Homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loan hereby secured is made), for the benefit of Mortgagee, with power to collect the rents, issues and profits of the premises, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the premises, prior and co-ordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the premises, and may pay all or any part of the indebtedness secured hereby or any deficiency decree; and

(c) Mortgagee shall, at its option, have the right, acting through itself, its agents or attorneys, either with or without process of law, forcibly or otherwise, to enter upon and take possession of the premises and property, expel and remove any persons, goods or chattels, occupying or upon the same, and to collect or receive all the rents, issues and profits thereof, and to manage and control the same, and to lease the same or any part thereof from time to time, and after deducting all reasonable attorneys' fees and all expenses incurred in the protection, care, maintenance, management and operation of the premises, apply the remaining net income upon the indebtedness secured hereby, or upon any deficiency decree entered by virtue of any sale held pursuant to a decree of foreclosure.

13. In any foreclosure of this Mortgage, there shall be allowed and included in the decree for sale, to be paid out of the rents or proceeds of such sale:

(a) All principal and interest remaining unpaid and secured hereby;

(b) All other items advanced or paid by Mortgagee pursuant to this Mortgage with interest at the penalty rate from the date of advancement;

(c) All court costs, fees of the Master in Chancery, attorneys' fees, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, as Mortgagee may deem necessary. All expenditures and expenses of the type mentioned in this subparagraph (c) shall become so much additional indebtedness secured hereby and immediately due and payable, with interest at two percent per annum over the interest rate stated in the Note, when paid or incurred by Mortgagee, in connection with (i) any proceeding, including probate and bankruptcy proceedings, to which Mortgagee shall be a

party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; or (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (iii) preparations for the defense of any threatened suit or proceeding which might affect the premises or the security hereof, whether or not actually commenced. The proceeds of any foreclosure sale shall be distributed and applied to the items described in subparagraph (a), (b), and (c) in order of priority inversely to the manner in which said subparagraphs are above listed and any surplus of the proceeds of such sale shall be paid to Mortgagor.

14. No remedy or right of Mortgagee shall be exclusive of, but shall be in addition to, every other remedy or right now or hereafter existing at law or in equity. No delay in exercising, or omission to exercise, any remedy or right accruing on default shall impair any such remedy or right, or shall be construed to be a waiver of any such default of the same or different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

15. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said note, and without notice or consent:

(a) Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation.

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.

(c) Exercise or refrain from exercising or waive any right Mortgagee may have.

(d) Accept additional security of any kind.

(e) Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

16. Upon full payment of all sums secured hereby at the time and in the manner provided, then this conveyance shall be null and void and within thirty days after written demand therefor a reconveyance or release of the premises shall be made by Mortgagee to Mortgagor.

17. As further security for the indebtedness hereby secured, the Mortgagor hereby assigns to the Mortgagee all of the rents, issues and profits and/or any and all leases and/or the rights of the management of the Premises. The Mortgagor may concurrently herewith, execute and deliver to the Mortgagee a separate instrument (herein called the "Assignment of Rents") dated as of the date hereof, wherein and whereby, among other things, the Mortgagor has assigned to the Mortgagee all of its rents, issues and profits and/or any and all leases and/or the right of the management of the Premises, all as therein more specifically set forth, which said Assignment of Rents is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length.

18. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons li-

able for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

19. MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OR REDEMPTION FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE OF THIS MORTGAGE, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT DECREE OR JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE.

20. The Mortgagor shall not assign or attempt to assign its rights under this Note and Mortgage except as is specifically allowed in the Mortgage and shall not convey title to the real estate described in the Mortgage to any third party without the written consent of the Mortgagee nor shall the guarantors of this Note cause any change in the ownership of the beneficial interest, except as may be caused by death, without the written consent of the Mortgagee. It is expressly agreed and understood that in the event of the transfer of title to the real estate described in the Mortgage or in the event the present beneficiaries of the Mortgagor assign their beneficial interest in the trust to any one or any organization without first obtaining the written consent of the Mortgagee (which consent shall not be unreasonably withheld), the entire balance due on the Note shall, at the option of the Mortgagee, become due and payable in full. A transfer of the beneficial interest of the trust, whether with the consent of the Mortgagee or otherwise, shall not operate to release the liability of any guarantor so assigning his interest in the trust.

21. Except for the encumbrance created by this Mortgage, the Mortgagor agrees not to allow or to place any other lien, claim, encumbrance or mortgage (by trust deed or otherwise) against the premises without the written consent of the Mortgagee. In the event that the Mortgagor allows or places any such lien, encumbrance or mortgage against the premises without the written consent of the Mortgagee, then the Mortgagee shall have the right to declare the entire balance on the Note due and payable.

22. The Mortgagor or its duly appointed agent shall have the right to enter upon the subject premises at reasonable times and inspect same while this Mortgage is in effect.

23. That this Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

THIS MORTGAGE is executed by the undersigned Trustee, not personally, but as Trustee as aforesaid; and it is expressly understood and agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the covenants, undertakings and agreement herein made are made and intended, not a personal covenants, undertakings and agreement of the Trustee, named and referred to in said Agreement, for the purpose of binding it personally, but this instrument is executed and delivered by American National Bank and Trust Company of Chicago, as Trustee, solely in the exercise of the powers conferred upon it as such Trustee, and no personal liability or personal responsibility is assumed by, not shall at any time be asserted or enforced against, American National Bank and Trust Company of Chicago, its agents, or employees, on account hereof, or on account of any covenant, undertaking or agreement herein or in said principal note contained, either expressed or implied, all such personal liability, if any, being hereby expressly waived and released by the party of the second party or holder or holders of said principal or interest notes hereof, and by all persons claiming by or through or under said party of the second party or the holder or holders, owner or owners of such principal notes, and by every person now or hereafter claiming any right or security hereunder.

Anything herein contained to the contrary, notwithstanding, it is

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understood and agreed that American National Bank and Trust Company of Chicago, individually, shall have no obligation to see to the performance or non-performance of any of the covenants herein contained herein contained, it being understood that the payment of the money secured hereby mortgage and the rents, issues, and profits thereof.

IT WITNESS WHEREOF, American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid, has caused these presents to be signed by its Second Vice President, and its corporate seal to be hereunto affixed and attested by its ASSISTANT SECRETARY, the day and year first above written.

American National Bank and Trust Company of Chicago, as Trustee as aforesaid,

(S E A L)

By: [Signature]  
Its: Second Vice President  
Attest: [Signature]  
Its: ASSISTANT SECRETARY

STATE OF ILLINOIS )  
COUNTY OF Cook )

SS

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I, LORETTA M. SWEENEY, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that E. JOHANSEN, Second Vice President of American National Bank and Trust Company of Chicago and ASSISTANT SECRETARY of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such 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 Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said [Signature] then and there acknowledged that he, as custodian of the corporate seal of said Bank, did affix the corporate seal of said Bank to said instrument as his/her own free and voluntary act and as the free and voluntary act of said Bank, as Trustee, as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 5th day of March, 19 87.

[Signature]  
Notary Public

My commission expires: \_\_\_\_\_

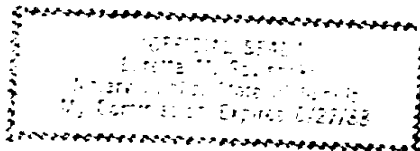
This document was prepared by:

Steven D. Rakich  
4749 Lincoln Mall Drive  
Suite 204  
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After recording mail to:

Steven D. Rakich (kc-919-116)  
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