MORTGAGE

THIS MORTGAGE ("Mortgage") is given on November 9, 1988, by **STEVEN GUTTERMAN** and **ELLEN B. GUTTERMAN**, husband and wife ("Mortgagor"). This Mortgage is given to **THE EXCHANGE NATIONAL BANK OF CHICAGO**, a national banking association, which is organized and existing under the laws of United States of America, and whose principal office is located at 120 South LaSalle Street, Chicago, Illinois 60603 ("Lender"). Mortgagor owes Lender the principal sum of ONE HUNDRED THOUSAND and 00/100 DOLLARS ($100,000.00). This debt is evidenced by a note dated the same date as this Mortgage ("Note"), which provides for payment in full said debt, if not paid earlier, on December 30, 1989. This Mortgage secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Mortgage; and (c) the performance of covenants and agreements under this Mortgage and the Note. For this purpose, Mortgagor does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois.

See Exhibit "A"

commonly known as 7020 Lorel, Skokie, Illinois ("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of he foregoing is referred to in this Mortgage as the "Property."

Mortgagor COVENANTS that Mortgagor is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

UNIFORM COVENANTS. Mortgagor and Lender covenants and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Mortgagor shall promptly pay or cause to be paid when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** If required by the Lender on the date the Mortgage is executed or any time thereafter and subject to applicable law, Mortgagor shall pay to Lender on the day regular payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to such prior portion of: (a) yearly taxes and assessments which may attain priority over this Mortgage; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any, as the Lender may establish. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held by the Lender and applied to pay the escrow items. Lender may not charge for holding and applying the funds, analyzing the account or verifying the escrow items, unless Lender pays Mortgagor interest on the Funds and applicable law permits Lender to make such a charge. Mortgagor and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Mortgagor any interest or earnings on the Funds. Lender shall give to Mortgagor, without charge, and annual accounting of the Funds showing credits and debits to

the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by the Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Mortgagor's option, either promptly repaid to Mortgagor or credited to Mortgagor on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Mortgagor shall pay to Lender any amount necessary to make up the deficiency in one or more payments required by Lender.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Mortgagor any Funds held by Lender. If under paragraph 18 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. **Charges; Liens.** Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Mortgagor shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Mortgagor shall pay them on time directly to the person owed payment. Mortgagor shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Mortgagor makes these payments directly, Mortgagor shall promptly furnish to Lender receipts evidencing the payments.

Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Mortgage. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Lender may give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard Insurance.** Mortgagor shall keep all buildings and improvements now or hereafter situated on said Property insured against loss or damage by fire, lightning and such other risks and hazards as are insurable under the present and future forms of all-risk insurance policies, providing for payment by the insurance companies of moneys sufficient to pay the greater of either the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Lender, under insurance policies payable, in case of loss or damage, to Lender, such rights to be evidenced by the standard mortgagee clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to Lender, and in case of insurance about to expire, shall deliver renewal policies not less than ten (10) days prior to the respective dates of expiration. All policies of insurance shall contain a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Lender. If the policies of insurance referenced herein contain a co-insurance clause or provision, Mortgagor agrees to maintain insurance coverage which is at all times in compliance with said clause or provision.

Mortgagor shall furnish Lender with evidence satisfactory to Lender that flood insurance is in effect in the event that Mortgagor has failed previously to demonstrate to Lender that the Property is not located in an area designated by the Secretary of Housing and Urban Development as having special flood hazards.

A. In case of loss by fire or other casualty, the Lender (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized either (i) to settle and adjust any claim under such insurance policies without consent of Mortgagor, or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. In either case Lender is authorized to collect and receipt for any such insurance money. If (i) Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage, and (ii) such damage or destruction does not result in cancellation or termination of such lease, and (iii) the insurers do not deny liability as the insureds, such proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall, subject to the provisions of subparagraph B and C hereof, be used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings and improvements on the Property. In the event Lender elects to apply said insurance proceeds in reduction of the indebtedness secured hereby, all expenses and fees of collection shall first be deducted and paid to Lender, and it is further covenanted and agreed that should the net insurance proceeds be insufficient to pay the then existing indebtedness secured hereby, together with all accrued interest thereon, fees and charges, Lender may, at its sole election, declare the entire unpaid balance of the debt secured hereby to be immediately due and payable, and the failure of the payment thereof shall be a default hereunder.

B. In the event Lender elects to permit such insurance proceeds to be applied to pay for the cost of rebuilding or restoration of the buildings and improvements on the Property, such funds will be made available for disbursement by Lender; provided, however, that (i) should any insurance company have, in the opinion of Lender, a defense against Mortgagor (but not against Lender) to any claim for payment due to damage or destruction of the Property or any part thereof by reason of fire or other casualty, submitted by Lender or any party on behalf of Lender, or should such company raise any defense against Lender (but not against Mortgagor) to such payment, or (ii) should the net proceeds of such insurance collected by Lender together with any funds deposited by Mortgagor with Lender be less than the estimated costs of the requisite work as determined by Lender, which estimate shall include a reasonable contingency, then in either case Lender may, at its option, whether or not Lender has received funds from any insurance settlements, declare the unpaid balance of the debt secured hereby to be immediately due and payable, and Lender may then treat the same as in the case of any other default hereunder. In the event such proceeds are applied toward restoration or rebuilding, 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. Such proceeds shall be made available, from time to time, upon the Lender 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, including insurance against mechanic's liens and/or a performance bond or bonds in form satisfactory to Lender which shall be the sole or a dual obligee, and which bonds shall be written with such surety company or companies as may be satisfactory to Lender. All plans and specifications for such rebuilding or restoration shall be presented to and approved by Lender prior to the

commencement of any such repair or rebuilding. Disbursement of such insurance proceeds shall not exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of the Lender shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

C. In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policies, if not applied as aforesaid in rebuilding or restoring the building or improvements, shall be used to pay 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 he shall then be entitled to the same, or as the court may direct. In case of the foreclosure of this Mortgage, the court in its judgment may provide that the Lender's clause attached to each of said insurance policies may be cancelled and that the judgment creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said judgment creditor. In the event of foreclosure sale, Lender 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 Lender may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Nothing contained in this Mortgage shall create any responsibility or obligation on the Lender to collect any amount owing on any insurance policy; to rebuild, repair or replace any damaged or destroyed portion of the Property or any improvements thereon; or to perform any act hereunder.

6. **Preservation and Maintenance of Property; Leaseholds.** Mortgagor shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Mortgage is on a leasehold, Mortgagor shall comply with the provisions of the lease, and if Mortgagor acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Mortgagor secured by this Mortgage. Unless Mortgagor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Mortgagor requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Mortgagor shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Mortgagor's and Lender's written agreement or applicable law.

8. **Inspection.** Lender or its agent may take reasonable entries upon and inspections of

the Property. Lender shall give Mortgagor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor. In the event of a partial taking of the Property, unless Mortgagor and Lender otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Mortgagor.

If the Property is abandoned by Mortgagor, of if, after notice by lender to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Lender within thirty (30) days after the date of notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or the sums secured by this Mortgage, whether or not then due.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 and 2 or change the amount of such payments.

10. Extensions of Time; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of any one obligated under the Note nor operate to release the liability of such person or such person's successors in interest. Lender shall not required to commence proceedings against any successors in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original party obligated under the Note or such parties' successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Mortgagor, subject to the provisions of paragraph 16. Mortgagor's covenants and agreements shall be joint and several. Any Mortgagor who signs this Mortgage does not execute the Note: (a) is signing this Mortgage only to mortgage, grant and convey that Mortgagor's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lender and any other Mortgagor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without that Mortgagor's consent.

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

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 18. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 16.

14. Notices. Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Mortgagor designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Mortgage shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause in this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given without the conflicting provision. To this end the provisions of this Mortgage and the Note are declared to be severable.

16. Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the Property or any interest in it is sold or transferred (or if the title to the Property is held by an Illinois Land Trust, and a beneficial interest therein is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

If Lender exercises this option, Lender shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

17. Mortgagor's Right to Reinstate. If Mortgagor meets certain conditions, Mortgagor shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Mortgagor: (a) pays Lender all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's rights in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Mortgagor, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 16.

ADDITIONAL COVENANTS. Mortgagor and Lender further covenant and agree as follows:

19. Acceleration; Remedies. Lender shall give notice to Mortgagor prior to acceleration following Mortgagor's breach of any covenant or agreement in this Mortgage (but not prior to acceleration under paragraph 13 and 16 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty

(30) days from the date the notice is given to Mortgagor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Mortgagor to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorneys' fees and cost of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 18 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

21. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay any recordation costs.

22. Waiver of Homestead. Mortgagor waives all right of homestead exemption in the Property.

23. Riders to this Mortgage. If one or more riders are executed by Mortgagor and recorded together with this Mortgage, the covenants and agreements of each such rider shall be incorporated and shall amend and supplement the covenants and agreements of this Mortgage as if the rider(s) were a part of this Mortgage. [Check applicable box(es)].

/X/ Adjustable Rate Rider /X/ Condominium Rider /_/ 2-4 Family Rider

/_/ Graduated Payment Rider /_/ Planned Unit Development Rider

/_/ Other(s) [specify]

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage and in any rider(s) executed by Mortgagor and recorded with it.

Steven Gutterman
STEVEN GUTTERMAN

Ellen B. Gutterman
ELLEN B. GUTTERMAN

-89-554918

STATE OF _____)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the State and County aforesaid, do hereby certify that before me this day personally appeared STEVEN GUTTERMAN and ELLEN B. GUTTERMAN, known to me to be the same persons whose names are subscribed to the above and foregoing Agreement, and acknowledged to me that they executed and delivered the above and foregoing Agreement as their free and voluntary act, for the uses and purposes set forth in said Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this ___ day of _ _____ 19___.

_____
Notary Public

My Commission Expires:

_____

This Document Prepared By:
David E. Zarski
Exchange National Bank of Chicago
120 S. LaSalle Street
Chicago, IL 60603

Record and Return To:
Exchange National Bank of Chicago
120 S. LaSalle Street
Chicago, IL 60603
Attn: Ms. Mary Jo Sloat

EXHIBIT "A"

PARCEL 1:

Lot 6 (except the South 129.56 Feet thereof) in Kingston Estates Subdivision , being a Subdivision of part of the East 1/2 of the Northwest 1/4 of Section 33, Township 41 North, Range 13, East of the Third Principal Meridian, as per Plat thereof recorded in the Office of the Recorder of Deeds of Cook County, Illinois on March 14, 1988 as Document Number 88-105482, all in Cook County, Illinois.

PARCEL 2:

Easements for ingress and egress over, upon and under Outlot "A" for the benefit of all lots in the Subdivision and for the benefit of Parcel 1 as defined and set forth in Plat of Subdivision recorded as Document Number 88-105482.

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 9th day of November, 1988, and is incorporated into and shall be deemed to amend and supplement the mortgage ("Mortgage") of the same date given by the undersigned (the "Mortgagor") to secure a note to STEVEN GUTTERMAN and ELLEN B. GUTTERMAN (the "Lender") of same date and covering the Property described in the Mortgage and located at:

7020 Lorel, Skokie, Illinois 60077
[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

Kingston Estates
[Name of Condominium Project]

the ("Condominium Project"). If the owners association or other entity which acts for the Condominium Project ("the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Mortgagor's interest in the Owners Association and the uses, proceeds and benefits of Mortgagor's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Mortgage, Mortgagor and Lender further covenant and agree as follows:

A. Condominium Obligations. Mortgagor shall perform all of Mortgagor's obligations under the Condominium Project's Constituent Documents. The "Constituents Documents" include, but need not be limited to: (i) Declaration or any other document which creates the Condominium Project; (ii) Bylaws; (iii) Code or Regulations; and (iv) other equivalent documents. Mortgagor shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides coverage in the amounts, for the periods and against the hazards Lender requires, then:

(i) Lender, may but need not, waive payment to Lender of the yearly premiums for hazard insurance on the Property; and

(ii) Mortgagor's obligation under the Mortgage to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Mortgagor shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Mortgagor are hereby assigned and shall be paid to Lender for application to the sums secured by the Mortgage, with any excess paid to Mortgagor.

C. Public Liability Insurance. Mortgagor shall take such actions as may be reasonable to

insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Mortgagor in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied to Lender to the sums secured by the Mortgage.

E. Lender's Prior Consent. Mortgagor shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender; or

(iii) termination of professional management and assumption of self-management of the Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Mortgagor does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt secured by the Mortgage. Unless Mortgagor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Mortgagor requesting payment.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and provisions contained in this Condominium Rider.

X Steven Gutterman
STEVEN GUTTERMAN

X Ellen B. Gutterman
ELLEN B. GUTTERMAN

STATE OF Ill.)
) SS.
COUNTY OF Cook)

I, Carol A. Riley, a Notary Public in and for the State and County aforesaid, do hereby certify that before me this day personally appeared STEVEN GUTTERMAN

and ELLEN B. GUTTERMAN, known to me to be the same persons whose names are subscribed to the above and foregoing Agreement, and acknowledged to me that they executed and delivered the above and foregoing Agreement as their free and voluntary act, for the uses and purposes set forth in said Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 11 day of November, 19 88

Carol A. Riley
Notary Public

My Commission Expires:

7-30-90

"OFFICIAL SEAL"
CAROL A. RILEY
Notary Public, State of Illinois
My Commission Expires July 30, 1990

DEC-2-88 50643 88554918 A --Rec 24.00

This Document Prepared By:
David E. Zarski
Exchange National Bank of Chicago
120 S. LaSalle Street
Chicago, IL 60603

Record and Return To:
Exchange National Bank of Chicago
120 S. LaSalle Street
Chicago, IL 60603
Attn: Ms. Mary Jo Sloat

88554918

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 9th day of November, 1988, and is incorporated into and shall be deemed to amend and supplement to Mortgage (the "Mortgage") of the same date given by the undersigned (the "Mortgagor") to secure a note (the "Note") to **THE EXCHANGE NATIONAL BANK OF CHICAGO** (the "Lender") of the same date and covering the property described in the Mortgage located at:

7020 Lorel, Skokie, Illinois 60076
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND/OR REGULAR PAYMENTS, THE AMOUNT THE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE OF INTEREST CHARGED ON THE NOTE.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Mortgage, Mortgagor and Lender further covenant and agree as follows:

INTEREST RATE AND MONTHLY PAYMENT CHANGES.

The Note provides for an initial interest rate of R+1%, and for changes in the interest rate and the regular payments, as follows:

INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Rate and Payment Changes

The interest rate Mortgagor will pay may change on the same day as a change in the Index. If the increase in interest rate requires a change in any regular payment, the payment change will take effect on the first payment due date after Lender provides notice of the change to the Mortgagor.

(B) The Index

The Index is the Reference Rate known as the "Prime Rate" as published in the *Wall Street Journal*. This rate is not intended to be the Lender's lowest or most favorable rate of interest at any one time. Said rate shall fluctuate and be effective when and as said Reference Rate fluctuates. Lender is not obligated to give prior notice of such fluctuations. Interest shall be computed on the basis of a 360-day year and thirty (30) days per month, unless otherwise specified herein.

If the Index is no longer available, the Lender will choose a new index which is based upon comparable information. The Lender will provide notice of this choice.

(C) Calculation of Changes

The Lender will calculate the new interest rate by adding the amount of the percentage increase to the previous Index. Subject to the limits stated in Section 4 (d) below, this amount will be the interest rate until the next change.

If the payment is not sufficient to pay interest and principal, the Lender reserves the right to demand an increase in the regular payment or in the final payment (whichever it shall choose).

(D) Limits on Interest Rate

The interest rate will never be greater than 18% per annum.

(E) Effective Date of Changes

The new interest rate will become effective on the rate the Index changes. The amount of any new monthly payment will be paid beginning with the first regular payment due after the receipt of advance notice of the change of payment as required by law.

(F) Notice of Changes

The Lender will deliver or mail to Mortgagor notices of changes in accordance with applicable law and regulation. The notice will include information required by law to be given to Mortgagor.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

X _____ STEVEN GUTTERMAN

X _____ ELLEN B. GUTTERMAN

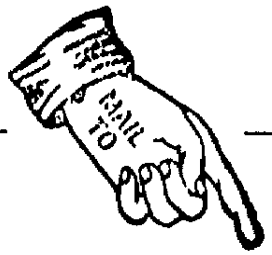
STATE OF _____)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the State and County aforesaid, do hereby certify that before me this day personally appeared STEVEN GUTTERMAN and ELLEN B. GUTTERMAN, known to me to be the same persons whose names are subscribed to the above and foregoing Agreement, and acknowledged to me that they executed and delivered the above and foregoing Agreement as their free and voluntary act, for the uses and purposes set forth in said Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this ___ day of _____, 19___.

My Commission Expires:

_____



_____
Notary Public

This Document Prepared By:
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120 S. LaSalle Street
Chicago, IL 60603

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