Box 333

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This instrument was prepared by: and return to
Lauer Brown Fridley, Altheimer & Gray
(Name)
70 South Wacker Drive, Chicago, Ill. 60606
(Address)

72-85-139 DA 7W 2872

MORTGAGE

$ 17.00

THIS MORTGAGE is made this 12th day of December, 19 90, between the Mortgagor, [illegible] and [illegible] (herein "Borrower"), and the Mortgagee, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, a corporation organized and existing under the laws of [illegible], whose address is 190 South LaSalle Street, Suite 1100, Chicago, Illinois 60603-3418 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. $ Three hundred fifty thousand and 00 Dollars which indebtedness is evidenced by Borrower's note dated December 10, 1990 and extensions and renewals thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on January 10, 1991.

To SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Cook, State of Illinois:

LOT 16, IN HULL'S A SUBDIVISION OF BLOCK 62 IN CANAL TRUSTEE'S SUBDIVISION OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT FROM SAID LOT 16 THAT PART TAKEN FOR OPENING AND EXTENDING OGDEN AVENUE) AND ALSO EXCEPTING THE EAST 6.00 FEET OF THE WEST 106.43 FEET OF THE NORTH 3.00 FEET OF SAID LOT 16, IN COOK COUNTY, ILLINOIS

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Permanent Index Number 14-33-318-057

which has the address of 1720-8 North Cleveland, Chicago
(Street) (City)
Illinois 60614 (herein "Property Address");
(Zip Code)

and all proceeds of the foregoing

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents (all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property."

Borrower covenants that Borrower is lawfully seized 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. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

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1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and totaling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an 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 Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof 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 the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note.

4. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

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10. Borrower Not Released; 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 Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor 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 Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of 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 effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

15. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) 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 Borrower 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 Borrower must pay all sums secured by this Mortgage. If Borrower 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 Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Acceleration; Remedies. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach 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 Borrower 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 Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by 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. The receiver shall be liable to

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[illegible] only for those sums actually received. [illegible]

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

25. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

SEE RIDER ATTACHED HERETO AND MADE A PART HEREOF

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

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In Witness Whereof, Borrower has executed this Mortgage.

James L. Gaza — Borrower

Lynette K. Gaza — Borrower

State of Illinois, Cook County ss:

I, Rae Ann Palka, a Notary Public in and for said county and state, do hereby certify that James L. Gaza and Lynette Gaza personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 12th day of December, 19 90.

My Commission expires: 11/1/94

Rae Ann Palka
Notary Public

"OFFICIAL SEAL"
RAE ANN PALKA
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/1/94

(Space Below This Line Reserved for Lender and Recorder)

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RIDER TO MORTGAGE

This Rider to Mortgage is attached to and made a part of that certain Mortgage dated December 12, 1990, between Mortgagor, James L. Gaza and Lynette Gaza, his wife (jointly herein "Borrower") and Mortgagee, The Hongkong and Shanghai Banking Corporation Limited (herein "Lender").

22. In addition to the insurance required in Paragraph 5 of this Mortgage, Borrower shall provide all other insurance as Lender shall reasonably require in forms and with companies satisfactory to Lender and shall have attached thereto mortgagee clauses or endorsements in favor of Lender. Borrower shall provide the following with respect to all construction, replacements, restorations, improvements, alterations and repairs to the Property:

1. Builders' risk and other insurance covering claims based on the owner's contingent liability;

2. Workmen's compensation insurance insuring all persons engaged in making such alterations or improvements in statutory amounts.

23. Borrower and Lender agree that this Mortgage shall constitute a security agreement within the meaning of the Illinois Uniform Commercial Code (hereinafter referred to as the "Code") with respect to: (i) any and all sums at any time on deposit for the benefit of Lender or held by Lender; and (ii) any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Property or may not constitute a fixture (within the meaning of Section 9-313 of the Code) and all replacements, substitutions and additions of or to such personal property and the proceeds thereof (hereinafter referred to as "Collateral") and that a security interest in and to all sums on deposit and the Collateral is hereby granted to Lender and all sums on deposit and the Collateral and all Borrower's right, title and interest therein are hereby assigned to Lender, all to secure payment of the Note. Upon a default hereunder, Lender shall have the remedies of a secured party under the Code. This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Collateral and the goods described herein which goods are and could become fixtures relating to the Property.

24. Borrower represents that it currently is in compliance with and covenants and agrees that it will manage and operate the Property in compliance with all environmental, federal, state and local laws, rules, regulations and ordinances. Borrower further covenants and agrees that it shall not install or permit to be installed on the Property asbestos or any substance containing asbestos and deemed hazardous by or in violation of any federal, state or local laws, rules, regulations or orders respecting such material. Borrower shall deliver to Lender within five (5) days of receipt or completion thereof any report, citation, notice or other writing by, to or from any governmental or quasi-governmental authority empowered to regulate or oversee air pollution, soil and water pollution, and the use, generation, storage, handling or disposal of hazardous or toxic substances or

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other materials. Borrower agrees to indemnify, defend with counsel reasonably acceptable to Lender and to hold Lender harmless against any claim, response or other cost, damages, liability or demand arising out of any claim of violation by Borrower of any of the foregoing laws, regulations or ordinances, or breach of any of the foregoing covenants or agreements. The foregoing indemnity shall survive repayment of the indebtedness evidenced by the Note.

25. Notwithstanding anything to the contrary contained in this Mortgage, Borrower hereby releases and waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage. Borrower shall not apply for or avail itself of any appraisement, valuation, stay, extension or exemption law, or so-called "Moratorium Laws", now existing or hereinafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, and hereby waives the benefit of such laws. Borrower waives any and all right to have the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. No provision of this paragraph or of this Mortgage shall prevent Borrower from bidding on any foreclosure sale of the Property.

26. This Mortgage is subject and subordinate to lien of that certain mortgage ("First Mortgage") dated May 8, 1989 and recorded May 16, 1989 in the Recorder's Office of Cook County, Illinois as Document No. 89221088 made by and between Borrower and Continental Illinois National Bank and Trust Company of Chicago ("First Lender"), which First Mortgage constitutes a first lien on the Property, which First Mortgage secures a promissory note dated May 8, 1989 in favor of First Lender in the original principal amount of Three Hundred Forty Thousand and 00/100 Dollars ($340,000.00) ("First Note"). Borrower represents and warrants that the unpaid principal balance of the First Note as of the date hereof is not in excess of $140,000.00; that all principal, interest, and other payments due thereunder under the First Note, the First Mortgage and any other documents and instruments executed in connection therewith have been duly and promptly paid; there has occurred no default or event which, with the passage of time or notice or both, would become a default under the First Note, the First Mortgage or any of the other documents or instruments executed in connection therewith.

IN WITNESS WHEREOF, Borrower has caused this instrument to be executed on the day and year first above written.

James L. Gaza

Lynette Gaza

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