MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT

This Mortgage, Security Agreement, Assignment of Leases and Rents, and Financing Statement ("Mortgage") is given on November 7, 1991, by LASALLE NATIONAL TRUST, N.A., AS TRUSTEE UNDER TRUST AGREEMENT DATED OCTOBER 31, 1991 AND KNOWN AS TRUST NO. 116737 ("Borrower"), to ROYAL AMERICAN BANK, an Illinois bank ("Lender"), and pertains to the real estate described in Exhibit A attached hereto and made a part hereof.

I.

RECITALS

1.01 Borrower is the owner and holder of fee simple title in and to all of the real estate located in the County of Cook and State of Illinois, more fully described in Exhibit A attached hereto (the "Premises"), which Premises form a portion of the Property described below.

1.02 Borrower has executed and delivered to Lender a Mortgage Note ("Note") of even date herewith, wherein Borrower promises to pay to the order of Lender the principal amount of Two Hundred Fifty Thousand Dollars (U.S. $250,000.00), in repayment of a loan ("Loan") from Lender to Lender in like amount, or so much thereof as may now or hereafter be disbursed or advanced by Lender under the Note, together with interest thereon at a fixed interest rate of nine percent per annum, in installments as set forth in the Note. The balance of unpaid principal and accrued interest is due and payable on November 13, 1996 (the "Maturity Date").

1.03 As security for the repayment of the Indebtedness in addition to this Mortgage, there have been executed and delivered to Lender certain other loan documents described in Exhibit B attached hereto and made a part hereof. The Note, this Mortgage, and all other loan documents described in such Exhibit B, as they may be amended or modified from time to time, are collectively referred to as the "Loan Documents".

1991 NOV 14 PM 12:01 91598308

This instrument was prepared by and after recording should be returned to:
Ann R. Perkins, Esq.
Law Offices of Thomas M. Fitzpatrick
20 North Wacker Drive
Chicago, Illinois 60606

1.04 The indebtedness evidenced by the Note, including the principal and any interest and all other sums which may be at any time due or owing as provided in this Mortgage or the other Loan Documents, as defined below, are referred to as the "Secured Indebtedness".

1.05 As security for the repayment of the Note, Borrower is required by the Loan Documents to execute and deliver to Lender this Mortgage.

II.

THE GRANT

NOW THEREFORE, in order to secure the payment of the principal amount of the Note and interest thereon and the performance of all of the covenants, provisions, agreements and obligations contained in this Mortgage or in the Loan Documents (whether or not Borrower is personally liable for such payment or performance) and also to secure the payment of any and all Secured Indebtedness, direct or contingent, that may now or hereafter become owing from Borrower to Lender and the performance of all other obligations under the Loan Documents, and in consideration of Ten and No/100 Dollars ($10.00) in hand paid by Lender to Borrower, the Recitals above stated and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower MORTGAGES, GRANTS, RELEASES, TRANSFERS, REMISES, ALIENS and CONVEYS to Lender and its successors and assigns forever a continuing security interest in and to the Premises described on Exhibit A, commonly known as 7534-6 West Lawrence Avenue, Harwood Heights, Illinois 60656.

TOGETHER with all improvements, tenements, reversions, remainders, easements, fixtures and appurtenances now or hereafter thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Borrower may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily); all tenant security deposits, utility deposits and insurance premium rebates to which Borrower may be entitled or which Borrower may be holding; and all fixtures, apparatus, equipment and articles which relate to the use, occupancy and enjoyment of the Premises (the Premises and all other property described above in this paragraph being collectively referred to as the "Property"). All of the land, estate and property included among the Property, real, personal and mixed, whether affixed or annexed to the Premises or not (except where otherwise specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared (to the maximum extent permitted

by law) to form part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be, for the purposes of this Mortgage, deemed to be real estate and conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the Property hereby mortgaged and conveyed unto Lender and its successors and assigns forever, for the purposes and uses herein set forth.

Borrower hereby covenants with Lender: that at the execution and delivery hereof, Borrower owns the Property and has good, indefeasible estate therein, in fee simple; that the Property is free from all encumbrances and exceptions to title (and any claim of any other person) other than those encumbrances and exceptions described in Exhibit C attached hereto ("Permitted Exceptions"); that Borrower has good and lawful right to sell, mortgage and convey the Property, and that Borrower and its successors and assigns shall forever warrant and defend the Property against all claims and demands whatsoever.

III.

GENERAL AGREEMENTS

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

3.01 **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

3.02 **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 are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Mortgage as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums, if any. These items are called "Escrow Items". Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974, as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of

Funds due on the basis of current data and reasonable estimates of expenditures of further Escrow Items or otherwise in accordance with applicable law.

Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make any such charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid 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 all sums secured by this Mortgage.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in a single payment or, at Lender's sole discretion, in not more than twelve monthly payments.

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 3.21, Lender shall acquire or sell the Property, Lender, prior to the acquisition of sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Mortgage.

3.03 **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 3.01 and 3.02 shall be applied: first, to amounts payable under paragraph 3.02, second, to interest due; third, to principal due; and last to any late charges due under the Note.

3.04 **Charges; Liens.** Borrower 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. Borrower shall pay these obligations in the manner provided in paragraph 3.02, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Mortgage unless Borrower: (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 (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 Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

3.05 **Hazard or Property 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 any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 3.07.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall

be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower 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 paragraphs 3.01 and 3.02 or change the amount of the payments. If under paragraph 3.21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

3.06 **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall keep the Property constantly in good condition and repair, without waste, promptly repair damage or destruction which occurs to the Property, and not abandon the Property nor do anything whatsoever to depreciate or impair the value of the Property or the security of this Mortgage. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Mortgage or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 3.18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Mortgage or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note.

3.07 **Protection of Lender's Rights in the Property.** If Borrower 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 forfeiture or to enforce laws or regulations), then 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 attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 3.07, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 3.07 shall become additional debt of Borrower secured by this Mortgage. Unless Borrower 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 Borrower requesting payment.

3.08 **Mortgage Insurance.** Lender does not require mortgage insurance as a condition of making the loan secured by this Mortgage.

3.09 **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at least 24 hours prior to an inspection specifying reasonable cause for the inspection.

3.10 **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any 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 Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Mortgage immediately before the taking, unless Borrower 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 Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Mortgage whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to

Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

Unless Lender and Borrower 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 paragraphs 3.01 and 3.02 or change the amount of such payments.

3.11 **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 the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor 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 Borrower or Borrower's 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.

3.12 **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 3.17. Borrower's covenants and agreements 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 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 Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent.

3.13 **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 limits; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

3.14 **Notices.** Any notice to Borrower 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 Borrower 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 Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

3.15 **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 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. To this end the provisions of this Mortgage and the Note are declared to be severable.

3.16 **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Mortgage.

3.17 **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) 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.

3.18 **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower 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 Borrower: (a) pays Lender all sums which then would be due under this Mortgage and the Note as if no acceleration had 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 Borrower's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Borrower, 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 paragraph 3.17.

3.19 **Sale of Note; Change of Loan Services.** The Note or a partial interest in the Note (together with this Mortgage) may be sold one or more times without prior notice to, and without the consent of, Borrower.

3.20 **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 3.20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 3.20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

3.21 **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Mortgage (but not prior to acceleration under paragraph 3.17 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 30 days from the date the notice is given to Borrower, 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 Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower 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 3.21, including, but not limited to, reasonable attorney's fees and costs of title evidence.

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

3.23 **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

3.24 **Assignment of Rents.** All right, title, and interest of Borrower in any and all leases, subleases, management agreements, arrangements, concessions or agreements relating to the use and occupancy of the Premises (collectively "Leases") affecting the Property and including and together with any and all future Leases, written or oral, upon all or any part of the Property and together with all of the rents, income, receipts, revenues, issues, avails and profits from or due or arising out of the Property are hereby transferred and assigned simultaneously herewith to Lender as further security for the payment of the Secured Indebtedness. All future leases shall be specifically assigned to Lender by an instrument satisfactory to Lender. Each Lease shall, at the option of Lender, be paramount or subordinate to this Mortgage. Although it is the intention of the parties that the assignment contained in this paragraph shall be a present assignment, it is expressly understood and agreed, anything to the contrary notwithstanding, that Lender shall not exercise any of the rights or powers conferred upon it by this paragraph until a breach shall exist under this Mortgage which remains uncured by Borrower after 30 days written notice. From

time to time, Borrower shall furnish Lender with executed copies of each of the Leases and with estoppel letters from each tenant under each of the Leases, which estoppel letters shall be in a form satisfactory to Lender and shall be delivered within thirty (30) days after Lender's written demand. In the event Lender requires that Borrower execute and record a separate collateral Assignment of Rents or separate collateral Assignment of Leases to Lender, the terms and provisions of those assignments shall control in the event of a conflict between the terms of this Mortgage and the terms thereof.

Borrower expressly covenants and agrees that it shall, as lessor under any Lease or Leases so assigned:

(a) perform and fulfill each term, covenant, condition, and provision in said Lease or Leases if an effect of failure of performance is to permit the lessee to terminate its tenancy;

(b) not suffer or permit to occur any material breach or default under the provisions of any assignment of any such Lease or Leases given as additional security for the Secured Indebtedness; and

(c) enforce its rights as lessor under each Lease with reasonable diligence.

Lender shall have the right to assign Borrower's right, title and interest in any Leases to any subsequent holder of this Mortgage or the Note or any participating interest therein or to any person acquiring title to all or any part of the Premises through foreclosure or otherwise. Subsequent assignees shall have all the rights and powers herein provided to Lender.

If Borrower, as lessor in the Lease or Leases, shall neglect or refuse to perform, observe, and keep all of the covenants, provisions, and agreements contained in the Lease or Leases, then Lender may perform and comply with any such Lease covenants, agreements and provisions. All costs and expenses incurred by Lender in complying with such covenants, agreements and provisions shall constitute additional Secured Indebtedness bearing interest at the Note rate until paid, and shall be payable upon demand.

Lender, however, shall not be obligated to perform or discharge any obligation, duty or liability under any Leases, and Borrower shall and does hereby agree to indemnify and hold Lender harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of their assignments and of and from any and all claims and demands

whatsoever which may be asserted against it by reason of all alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Lender incur any such liability, loss or damage under the Leases or under or by reason of their assignment, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall constitute additional Secured Indebtedness bearing interest at the Note rate until paid, and shall be payable upon demand.

3.25 **Security Agreement and Financing Statement.** This Mortgage constitutes a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State in which the Property is located with respect to (a) all sums at any time on deposit for the benefit of Lender pursuant to the provisions of this Mortgage or any of the Loan Documents; and (b) any part of the Property which may or might now or hereafter be or be deemed to be personal property, fixtures or property (including all replacements, additions and substitutions) other than real estate (collectively "Collateral"). Borrower hereby grants to Lender a security interest in the Collateral to secure the payment of the Secured Indebtedness and the performance of all of Borrower's obligations. All of the terms, provisions, conditions and agreements contained in this Mortgage apply to the Collateral as fully and to the same extent as to any other property comprising the Property.

Borrower represents and warrants that no financing statement, as that term is used in the Code, covering any of the Collateral or any proceeds thereof is on file in any public office (except financing statements showing Lender as the sole Secured Party, or such other liens and encumbrances as have been expressly permitted by Lender in writing ("Permitted Exceptions")). Borrower shall at its own cost and expense, upon demand, furnish to Lender such further information, shall execute and deliver to Lender such Financing Statements and other documents in form satisfactory to Lender, and shall do all such acts and things as Lender may reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Secured Indebtedness, subject to no adverse liens or encumbrances (except Financing Statements showing Lender as sole Secured Party, or Permitted Exceptions). Borrower shall pay the cost of filing the same or filing or recording such Financing Statements or other documents as well as this instrument, in all public offices wherever filing or recording is deemed by Lender to be necessary or desirable.

At any time after any part of the Secured Indebtedness is due (whether by declaration, acceleration or otherwise), Lender shall have the remedies of a Secured Party under the Code, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof. For that purpose, Lender may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the Collateral if the Collateral is affixed to the Premises. Such removal shall be subject to Code conditions. Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Borrower's right of redemption in satisfaction of Borrower's obligations. Lender without removal may render the Collateral unusable and dispose of the Collateral on the Property. Lender may require Borrower to assemble the Collateral and make it available to Lender for its possession at a place to be designated by Lender which is reasonably convenient to both parties. Lender will give Borrower at least ten (10) days notice of the time and place of any public sale or of the time after which any private sale or any other intended disposition is made. Lender may buy at any public sale, and, if the Collateral is a type customarily sold in a recognized market or is of type which is the subject of widely distributed standard price quotations, Lender may buy at any private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the Premises comprised within the Property, the Collateral and the Premises to be sold as one lot if Lender so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and reasonable attorneys' fees and legal expenses incurred by Lender shall be applied in satisfaction of the Secured Indebtedness. Lender will account to Borrower for any surplus realized on such disposition.

To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover and include all Leases between Borrower, as lessor, and various tenants, as lessee, including all extensions and renewals of the Lease terms, as well as any amendments to or replacements of the Leases, together with all of the right, title and interest of Borrower as lessor, including, without limiting the generality of the foregoing, the present and continuing right to: (a) make claims for, collect, receive and receipt for any and all of the Rents, and moneys payable as damages or in lieu of the Rents and moneys payable as the purchase price of the Property or any part thereof or claims for money and other sums of money payable or receivable thereunder howsoever payable; and (b) bring actions and proceedings thereunder or for the enforcement thereof, and to

do any and all things which Borrower or any lessor is or may become entitled to do under the Leases.

3.26 **Lien for Loan Commissions, Service Charges and the Like.** So long as the original Lender is the owner of the Note, and regardless of whether any proceeds of the loan evidenced by the Note have been disbursed, this Mortgage also secures the payment of all loan commissions, service charges, fees to its attorneys, liquidated damages, expenses and advances due to or incurred by Lender in connection with the loan transaction intended to be secured hereby, all in accordance with the application of, and loan commitment issued to and accepted by, one or more of Borrower or Borrower's beneficiaries in connection with said loan, if applicable.

3.27 **Assignment of Rents.** In the event a breach by Borrower of any covenant or agreement in this Mortgage remains uncured by Borrower after 30 days written notice, this Mortgage shall constitute a direction to each lessee under the Leases and each guarantor thereof to pay all rents directly to Lender without proof of such breach. Lender shall have the authority as Borrower's attorney-in-fact (such authority being coupled with an interest and irrevocable), to sign the name of Borrower and to bind Borrower on all papers and documents relating to the operation, leasing and maintenance of the Property.

3.28 **Exculpatory.** This Mortgage is executed by the undersigned not personally but as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee, and is payable only out of the property specifically described in the Mortgage or other Loan Documents, securing the payment of the Secured Indebtedness, by the enforcement of the provisions contained herein and therein. No personal liability shall be asserted or be enforceable against the undersigned, because or in respect of this Mortgage or the making, issue or transfer thereof, all such liability, if any, being expressly waived by each taker and holder hereof, and each original and successive Lender under this Mortgage accepts the same upon the express condition that no duty shall rest upon the undersigned to sequester the rents, issues and profits arising from the Property, or the proceeds arising from the sale or other disposition thereof, but that in case of default in the payment of the Note or of any installment thereof, the sole remedies of Lender shall be by foreclosure of the Mortgage, realization upon the other security given under the other Loan Documents securing the Secured Indebtedness, in accordance with the terms and provisions set forth therein, or any combination of the foregoing.

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

LASALLE NATIONAL TRUST, N.A., as Trustee under Trust Agreement dated October 31, 1991 and known as Trust No. 116737, and not personally.

and not individually

ATTEST:

By: Nancy A. Stack
Its: ASSISTANT SECRETARY

By: Thomas Cecim
Its: Assistant Vice President

Mortgagor's Address:

LaSalle National Trust, N.A.
135 South LaSalle Street
Chicago, Illinois 60603
Attention: Land Trust Dept.

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EXHIBIT A

LOT 17 (EXCEPT THE WEST 3 FEET THEREOF) AND THE WEST 18 FEET OF LOT 18 IN THE RESUBDIVISION OF LOTS 1 TO 44, INCLUSIVE AND ALL OF THE NORTH SOUTH 16.0 FOOT VACATED ALLEY AND THE EAST AND WEST 16.0 FOOT VACATED ALLEY ALL IN BLOCK 8 IN OLIVER SALINGER AND COMPANY'S LAWRENCE AVENUE MANOR, BEING A SUBDIVISION IN THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

4534 West Lawrence Avenue
Harwood Heights, Illinois
60656

12-12-424-074

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EXHIBIT B

LOAN DOCUMENTS

The term "Loan Documents," as used in this Mortgage, means the following documents and any other documents previously, now, or hereafter given to evidence, secure, or govern the disbursement of the Secured Indebtedness, including any and all extensions, renewals, amendments, modifications, replacements, restatements or supplements thereof or thereto.

1. The Note;

2. The following security documents:

   (a) this Mortgage;

   (b) a Guaranty of Payment of even date herewith executed by guarantor having financial interest in Mortgagor and Beneficiary, guaranteeing payment of the Secured Indebtedness;

   (c) an Assignment of Rents of even date herewith executed by Borrower and joined by Beneficiary or Borrower assigning the rents from the Property as security for the payment of the Secured Indebtedness.

EXHIBIT C

[PERMITTED EXCEPTIONS]

Taxes for 1991 and subsequent years,
as well as those matters shown on the Schedule B to the
Commitment No. 00732704.2 issued by
Chicago Title Insurance Co. on September 23, 1991

State of Illinois)
) SS.
County of Cook)

I, ~~HARRIET DENISEWICZ~~ NANCY A. STACK, Notary Public in and for said County in the State aforesaid, do hereby certify that Rosemary Collins and _____, 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 on behalf of LASALLE NATIONAL TRUST, AS Trustee under Trust Agreement dated October 31, 1991 and known as Trust No. 116737, and not personally ("Trustee"), as their free and voluntary act and as the free and voluntary act of Trustee, for the uses and purposes and in the capacity therein set forth.

GIVEN under my hand and notary seal this 12 day of November 1991.

"OFFICIAL SEAL"
Harriet Denisewicz
Notary Public, State of Illinois
My Commission Expires Oct. 30, 1995

Harriet Denisewicz
Notary Public

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