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MORTGAGE

Date: March 19, 1992

Mortgagors: STOJAN CIPROSKI and VELIKA CIPROSKA, his wife;
DRAGI TRAJKOVSKI and ELIZABETH TRAJKOVSKI, his wife;
and ZLATKO SEKULOSKI and MILA SEKULOSKI, his wife

Mortgagors' Address: 4113 North Lincoln Avenue
Chicago, IL

Principal Amount: One Hundred Fifty Thousand and no/100's
(\$150,000.00) Dollars.

Interest Rate: Ten percent (10%) per annum, fixed for Five (5)
years.

Payment Terms: Principal and all accrued interest shall be paid in
consecutive monthly installments in the sum of \$1,363.00 each
commencing on April 19, 1992, and on the 19th day of each month
thereafter until March 19, 1997 (The Maturity Date), at which time
a final payment shall be due in the amount of the then outstanding
principal balance, plus any accrued interest.

Maturity: March 19, 1997 (5 Years)

Prepayment Premium: None

Construction

Mortgage: Yes No

RECITALS

First Cook Community Bank, F.S.B., having an office at 2720 W.
Devon Ave., Chicago, Illinois 60659 ("Lender"), has issued a loan
commitment (the "Loan Commitment") pursuant to which Lender has
agreed, subject to the terms and conditions thereof, to make a loan
to Mortgagors in an amount not to exceed the original Principal
Amount of the Notes (the "Loan"). The Loan is evidenced by those
certain notes of even date herewith executed by the Mortgagors in
favor of Lender (the "Notes"). The Notes are in the original
principal amount of \$150,000.00 and \$110,000.00, respectively. If
this is a Construction Mortgage, (i) the proceeds of the Loan will
be disbursed pursuant to a Construction Loan Agreement of even date
herewith among Mortgagors, Mortgagee and, possibly, other parties
(the "Construction Loan Agreement") and (ii) the debt secured
hereby was and will be created by one or more disbursements made by

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Lender to or on behalf of Mortgagors to finance the construction of improvements upon The Mortgaged Property (defined herein) and this Mortgage is a construction mortgage as such term is defined in Section 9-313 (1)(c) of the Illinois Uniform Commercial Code.

GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Note and the payment of all amounts due under and the performance and observance of all covenants and conditions contained in this Mortgage, the Notes, the Loan Commitment, the Construction Loan Agreement, if any, any and all other mortgages, security agreements, assignments of leases and rents, guaranties, letters of credit and any other documents and instruments now or hereafter executed by Mortgagors, its beneficiary or any other party to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the notes and any and all renewals, extensions, amendments and replacements of this Mortgage, the Notes, the Loan Commitment and any such other documents and instruments (the Notes, the Loan Commitment, this Mortgage and such other documents and instruments, including and any and all amendments, renewals, extensions and replacements hereof and thereof, being sometimes referred to collectively as the "Loan Instruments" and individually as "Loan Instrument") (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as a "Borrower's Liabilities" which indebtedness and liabilities being secured hereby shall, in no event, exceed five times the original Principal Amount of the Note), Mortgagors does hereby convey mortgage, assign, transfer, pledge and deliver to Lender the following described property subject to the terms and conditions herein:

(A) The land legally described in attached Exhibit A (the "Land");

(B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land; and, to the extent not owned by tenants of the Mortgaged Property, all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Land, buildings, structures, improvements or fixtures now or hereafter located or to be located on the Land, or in connection with any construction being conducted or which may be conducted thereon (the "Improvements");

(C) All building materials and goods which are procured or to be procured for use on or in connection with the Improvements or the construction of additional Improvements, whether or not such materials and goods have been delivered to the Land (the "Materials");

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(D) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examination or analyses of the Land or the Improvements and contracts for services to be rendered to Mortgagors or any beneficiary of Mortgagors in connection with the Improvements or the construction of additional improvements;

(E) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements (the "Appurtenances");

(F) (i) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements or Appurtenances;

(ii) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any taking, pursuant to the power of eminent domain, of the Land, Improvements, Appurtenances or Materials or any part thereof, (b) damage to all or any portion of the Land, Improvements or Appurtenances by reason of any such taking, pursuant to the power of eminent domain, or (c) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances of any part thereof; and

(iii) All contract rights, general intangibles, actions and rights in action arising in connection with the Land, Improvements, Appurtenances or Materials;

(G) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land, Improvements or Appurtenances (the "Rents"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagors to collect and use the Rents as provided in this Mortgage;

(H) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Land or Improvements, or both;

(I) Any and all after-acquired right, title or interest of Mortgagors in and to any of the property described in the preceding Granting Clauses;

(J) All machinery, appliances, equipment, furniture and all other personal property of every kind or nature now or hereafter owned by mortgagors and located in or on, or attached to, and used or intended to be used in connection with, or with the operation of, the Land or Improvements, or in connection with any construction being conducted or which may be conducted thereon, and

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all extensions, additions, improvements, substitutions and replacements to any of the foregoing, including without limitation the personal property, if any, listed in Exhibit B attached hereto;

(K) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses and all replacements, additions, substitutions, renewals and accessions thereof and thereto; and all of the foregoing being hereinafter referred to collectively as the "Mortgaged Property." The Rents and Leases are pledged on a parity with the Land and Improvements and not secondarily. The terms of the Loan Instruments are incorporated herein by this reference.

ARTICLE ONE

COVENANTS OR MORTGAGORS

Mortgagors covenant and agree with Lender as follows:

1.01 **Performance under Loan Instruments.** Mortgagors shall perform, observe and comply within a complete and timely manner all provisions hereof and of the note and every other Loan Instrument and will promptly pay or cause to be paid to or deposited with Lender when due all other sums required to be paid or deposited by Mortgagors or other parties under all Loan instruments.

1.02 **General Covenants and Representations.** Mortgagors covenant and represent that as of the date hereof and at all times thereafter during the term hereof: (a) Mortgagors has good and absolute title to the Mortgaged Property, free and clear of all liens, security interests, charges and encumbrances whatsoever except those approved in writing by lender (the "Permitted Encumbrances"); (b) Mortgagors have good right, full power and lawful authority to mortgage and pledge the Mortgaged Property; and (c) Mortgagors will maintain and preserve the lien of this Mortgage as a first and paramount lien on the Mortgaged Property subject only to the Permitted Encumbrances.

1.03 **Compliance with Laws and Other Restrictions.** Mortgagors covenant and represent that the Land and the Improvements and the use thereof presently comply with, and will during the full term of this Mortgage continue to comply with, all applicable restrictive covenants, applicable declarations of condominium ownership, zoning and subdivision ordinances and building codes, licenses, health and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations. Mortgagors shall take no action to cause any such law, ordinance, code, regulation or covenant or the application thereof to the Mortgaged property to be altered or amended, without the prior written consent of Lender.

1.04 **Taxes and Other Charges.**

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1.04.1 **Taxes and Assessments.** Mortgagors shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or Borrower's Liabilities or upon or against the interest of Lender in the Mortgaged Property.

1.04.2 **Taxes Affecting Lender's Interest.** If any governmental law, order, rule or regulation in any manner modifies existing laws governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting taxes, so as to impose on Lender a tax by reason of its ownership of any or all of the Loan Instruments or measured by the principal amount of the Notes, requires or has the practical effect of requiring Lender to pay any portion of the real estate taxes levied in respect of the Mortgaged Property or to pay any tax levied in whole or in part in substitution for real estate taxes or otherwise affects materially and adversely the rights of Lender in respect of the Notes, this Mortgage or the other Loan Instruments, Borrower's Liabilities shall, upon thirty (30) days' notice, become due and payable forthwith at the option of Lender, whether or not there shall have occurred an Event of Default.

1.04.3 **Tax Escrow.** Except as waived in writing by Lender, Mortgagors shall, in order to secure the performance and discharge of Mortgagors's obligations under this Paragraph 1.04, but not in lieu of such obligations, deposit with Lender at the time of the first disbursement of proceeds of the Loan and on the first day of each calendar month throughout the term of the Loan, deposits, in amounts set by Lender from time to time by written notice to Mortgagors, in order to accumulate funds sufficient to permit Lender to pay all annual ad valorem taxes, assessments and other charges of the nature described in Paragraph 1.04.1 at least sixty (60) days prior to the date or dates on which they shall become delinquent. Any deposits received pursuant to this paragraph 1.04.3 shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender, and Lender shall have no obligation to pay interest on amounts deposited with lender pursuant to this Paragraph 1.04.3 If any Event of Default occurs, any part or all of the funds then on deposit or thereafter deposited with lender under this paragraph 1.04.3 may at lender's option be applied to payment of Borrower's Liabilities in such order as Lender may determine. Mortgagors shall deliver to Lender the bills for real estate taxes, assessments and such other charges promptly following issuance thereof. Lender shall be authorized to pay any such taxes, assessments and charges in reliance on bills therefor or copies thereof without inquiry into the validity or propriety thereof.

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1.05 **Mechanic's and Other Liens.** Mortgagors shall not permit or suffer any mechanic's laborer's, materialman's, statutory or other lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property.

1.06 Insurance and Condemnation.

1.06.1 **Hazard Insurance.** Mortgagors shall, at its sole expense, obtain, maintain for the benefit of, and deposit with Lender, until Borrower's Liabilities are paid in full, policies of fire and extended coverage, vandalism and malicious mischief hazard insurance in form and amount satisfactory to Lender, issued by companies approved by Lender. In the event of loss, Mortgagors will give immediate written notice to Lender and Lender may make proof of loss if not made promptly by Mortgagors (for which purpose Mortgagors hereby irrevocably appoints Lender as its attorney-in-fact). All such policies shall contain a mortgage clause satisfactory to lender and provide that they shall not be modified, canceled or terminated without at least thirty (30) days' prior written notice to Lender from the insurer.

1.06.2 **Other Insurance.** Mortgagors shall, at its sole expense, obtain and maintain for the benefit of, Lender, until Borrower's Liabilities are paid in full, such other policies of insurance Lender may require, including liability, dram shop, worker's compensation, business interruption, rent loss insurance, builder's risk insurance and, if the Mortgaged Property is in a flood hazard area, flood insurance in form and amounts satisfactory to Lender and issued by companies approved by Lender.

1.06.3 **Adjustment of Loss.** Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss of more than \$5,000.00 under any insurance policies covering or relating to the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (and deposit such proceeds as provided in Paragraph 1.06.5). Mortgagors hereby irrevocably appoint Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment of (i) 100% of all such losses of more than said amount directly to Lender alone and (ii) 100% of all such losses of said amount or less directly to Mortgagors alone, and in no case to Lender jointly with Mortgagors or any other party. After deducting from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including without limitation attorneys' and adjusters' fees and charges, Lender shall apply the net proceeds as provided in Paragraph 1.06.5. Lender shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

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1.06.4 **Eminent Domain Awards.** Lender shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property or of a portion of the Mortgaged Property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Lender is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagors's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagors hereby irrevocably appoint Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Lender after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees, may apply such net proceeds (except as otherwise provided in Paragraph 1.06.5 of this Mortgage) to payment of Borrower's Liabilities in such order and manner as Lender may elect. Mortgagors agree to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Lender may require.

1.06.5 **Repair; Proceeds of Casualty Insurance and Eminent Domain.** If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 1.06.4, mortgagors shall promptly and with all due diligence restore and repair the Mortgaged Property. At Lender's election, the entire amount of said proceeds, award or compensation shall either be applied to Borrower's Liabilities in such order and manner as Lender may elect or made available to Mortgagors on such terms and conditions as Lender may require to finance the cost of restoration or repair, with any excess to be applied to Borrower's Liabilities.

1.06.6 **Proceeds of Business Interruption and Rental Insurance.** The net proceeds of business interruption and rental insurance shall be paid to Lender for application first to Borrower's Liabilities and then to the creation of reserves for future payments of Borrower's Liabilities in such amount as Lender deems necessary with the balance to be remitted to Mortgagors subject to such controls as Lender may deem necessary to assure that said balance is used to discharge accrued and to be accrued expenses of operation and maintenance of the Mortgaged Property.

1.06.7 **Renewal of Policies.** At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under this Paragraph 1.06.7, a renewal thereof satisfactory to Lender shall be delivered to Lender or substitution therefore, receipts or other evidence of the payment of any

premiums then due on such renewal policy or substitute policy.

1.07. **Non-Impairment of Lender's Rights.** Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Lender under any provision of this Mortgage or of any statute or rule of law.

1.08. **Preservation of the Mortgaged Property.** Mortgagors shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagors shall not suffer or permit any waste of the Mortgaged Property or of any part thereof and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof. Except as otherwise provided in this Mortgage, no new improvements shall be constructed on the Mortgaged Property and no part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Lender.

1.09. **Transfer or Encumbrance of the Mortgaged Property.** Mortgagors shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance of, or any contract for any of the foregoing, on an installment basis or otherwise, pertaining to, the Mortgaged Property, any part thereof, any interest therein, any interest in the beneficial interest in any land or other trust holding title to the Mortgaged Property or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property, any interest in Mortgagors or any interest in any such beneficial interest or the owner thereof, whether by operation of law or otherwise, without the prior written consent of Lender having been obtained (i) to the sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer and (ii) to the form and substance of any instrument evidencing or contracting for any such sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer. Without limitation of the foregoing, Lender may condition its consent upon any combination of (a) the payment of a fee to be set by Lender, (b) the increase of the interest rate payable under the **Notes**, (c) the shortening of maturity of the **Notes** and (d) other modifications of the terms of the **Notes** or the other Loan Instruments. Mortgagors shall not, without the prior written consent of Lender, further assign or permit to be assigned the rents from the Mortgaged Property, and any such assignment without the prior express written consent of Lender shall be null and void. Mortgagors shall not permit any interest in any lease of the Mortgaged Property to be subordinated to any encumbrance on the Mortgaged Property other than the Loan Instruments and any such subordination shall be null and void. Mortgagors agree that in the event the ownership of the Mortgaged Property, any interest therein or any part thereof becomes vested in a person other than Mortgagors, Lender may, without notice to

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Mortgagors, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, the Loan Instruments and Borrower's Liabilities without in any way vitiating or discharging Mortgagors' liability hereunder or Borrower's Liabilities. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the notes or any other Borrower's Liabilities given by Lender shall operate to release, discharge, modify, change or affect the original liability of Mortgagors, either in whole or in part, except to the extent specifically agreed in writing by Lender. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Note or any other Borrower's Liabilities given by Lender shall operate to release, discharge, modify, change or affect the original liability of Mortgagors either in whole or in part, except to the extent specifically agreed in writing by Lender. Mortgagors shall not permit the Mortgaged Property or any portion thereof to be submitted to the Condominium Property Act of the State of Illinois by filing a Declaration of Condominium Ownership or otherwise.

1.10. **Further Assurances.** At any time and from time to time, upon Lender's request, Mortgagors shall execute, or cause to be executed, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled, any and all instruments of continuation or further assurance, certificates and other documents as Lender may consider necessary or desirable.

1.11. **Security Agreement and Financing Statements.**

(a) Mortgagors (as debtors) hereby grant to Lender (as creditor and secured party) a security interest under the Uniform Commercial Code in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Mortgaged Property. This Mortgage shall be deemed a security agreement as defined in such Uniform Commercial Code, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code.

(b) If an Event of Default occurs, Lender shall be entitled immediately to exercise all remedies available to it under the Uniform Commercial Code and this Paragraph 1.11. Mortgagors shall, in such event and if Lender so requests, assemble the tangible personal property at Mortgagors' expense, at a convenient place designated by Lender. Mortgagors shall pay all expenses incurred by Lender, in the collection of such indebtedness, including reasonable attorneys' fees and legal expenses, and in the

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repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Lender to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Lender toward the payment of such of Borrower's Liabilities, and in such order and manner as Lender may elect.

(c) Mortgagors and Lender agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the intention of the parties hereto that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the real estate encumbered by this Mortgage.

1.12 Assignment of Rents. Lender shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other benefits from the Mortgaged Property, whether or not Lender takes possession of such property. Mortgagors hereby further grant to Lender the right effective upon the occurrence of an Event of Default to do any or all of the following, at Lender's option: (i) Enter upon and take possession of the Mortgaged Property for the purpose of collecting the rents, income and other benefits; (ii) Dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to Lender; (iii) Lease the Mortgaged Property or any part thereof; (iv) Repair, restore and improve the Mortgaged Property; and (v) Apply the rents, income and other benefits, after payment of all expenses and capital expenditures relating to the Mortgaged Property, on account of Borrower's Liabilities. Notwithstanding the foregoing, so long as no Event of Default has occurred or is continuing, Mortgagors shall have the right and authority to continue to collect the rents, income and other benefits from said property as they become due and payable but not more than thirty (30) days prior to the due date thereof.

1.13 After-Acquired Property. The lien of this Mortgage, including without limitation the security interest created under Paragraph 1.11, shall automatically attach, without further act, to all property hereafter acquired by Mortgagors located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof.

1.14 Management of Mortgaged Property. Mortgagors shall

cause the Mortgaged Property to be managed at all times in accordance with sound business practice. Mortgagors shall comply with and perform in a complete and timely manner all of its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagors shall not permit any leases to be made of the Mortgaged Property without the prior written consent of Lender. Mortgagors shall not permit any leases affecting the Mortgaged Property to be terminated, renewed, extended or modified without the prior written consent of Lender.

1.15 Expenses. Mortgagors shall pay when due and payable, and otherwise on demand made by Lender, all loan fees, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, attorneys' fees, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Lender in connection with the Loan, including, without limitation, any consent or approval sought under this Mortgage (whether given or not), any action taken to enforce any of the Loan Instruments, collect any amount due thereunder or enforce any remedies therein contained and, following an Event of Default, the preparation by Lender to take any such collection or enforcement action whether or not such action is actually commenced. The amounts paid by Lender in respect of such expenses, together with interest thereon at the Default Rate (as defined in the Note) from the date paid by Lender until paid by Mortgagors, shall be added to Borrower's Liabilities secured by the lien of this Mortgage and the other Loan Instruments.

1.16 Lender's Performance of Mortgagors' Obligations. If Mortgagors fail to perform any covenant, condition or term in this Mortgage, the Notes or any other Loan Instrument, Lender may, but shall not be obligated to, pay, obtain or perform the same. All payments made and costs and expenses incurred or paid by Lender in connection therewith shall be due and payable upon demand by Lender. The amounts so incurred or paid by Lender, together with interest thereon at the Default Rate (as defined in the Notes) from the date paid by Lender until paid by Mortgagors, shall be added to Borrower's Liabilities and secured by the lien of this Mortgage and the other Loan Instruments. Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property for the purpose of performing any covenant that Mortgagors have failed to perform, without thereby becoming liable to Mortgagors or any person in possession holding under Mortgagors. Performance or payment by Lender of any obligation of Mortgagors shall not relieve Mortgagors of said obligation and shall not effect the cure of any Event of Default.

1.17 Payment of Superior Liens. To the extent that Lender, after the date hereof, pays any sum due under any provision of law or instrument creating any lien superior or equal in priority in

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whole or in part to the lien of this Mortgage, Lender shall have and be entitled to a lien on the premises equal in parity with that discharged, and Lender shall be subrogated to and receive and enjoy all rights and liens possessed by the holder of such lien, which shall remain in existence and benefit Lender to secure the Note and all obligations and liabilities secured hereby. Any amount so paid by Lender shall bear interest at the Default Rate until repaid. Lender shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property.

1.18 Books and Records. Mortgagors shall, or shall cause its beneficiary to, keep and maintain at all times complete, true and accurate books of account and records reflecting the results of the operation of the Mortgaged Property. Mortgagors shall cause said beneficiary to furnish to Lender within ninety (90) days after the end of said Mortgagors's or beneficiary's fiscal year, financial statements pertaining to or the Mortgaged Property and current personal financial statements of any beneficiaries of Mortgagors and guarantors of any portion of Borrower's Liabilities, all in form satisfactory to Lender.

1.19 Estoppel. Mortgagors, within ten (10) days after written request from Lender, shall furnish a written statement executed by Mortgagors setting forth the unpaid principal of and interest on the Note, and any other unpaid sums secured hereby, and whether or not any offsets or defenses to payment are claimed to exist and, if any such offset or defense is claimed, the nature of each such offset or defense. If Mortgagors object to the principal, interest or escrow amount or the application of any payment shown on any written statement, receipt, invoice or other written notice received by Mortgagors or its beneficiary or any partner or officer of Mortgagors or its beneficiary, Mortgagors shall raise such objection by written notice to Lender within two months following receipt of such statement, receipt, invoice or other written notice or else such objection shall be deemed waived by Mortgagors and such other parties.

1.20 Environmental Safety.

(a) Mortgagors covenant and represent that there are no, nor will there be for so long as any of Borrower's Liabilities remain outstanding, any Hazardous Materials (as hereinafter defined) generated, released, stored, buried or deposited over, beneath, in or upon the Mortgaged Property. For purposes of this Mortgage, "Hazardous materials" shall mean and include any flammable explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal or

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applicable state or local laws, ordinances or regulations dealing with or otherwise pertaining to toxic or hazardous substances, wastes or materials. Such laws, ordinances and regulations are hereinafter collectively referred to as the "Hazardous Materials Laws."

(b) Mortgagors shall, and Mortgagors shall cause all employees, agents, contractors and subcontractors of Mortgagors and any other persons from time to time present on or occupying the Mortgaged Property to, keep and maintain the Mortgaged Property, including the soil and ground water thereof and discharges and emissions therefrom, in compliance with, and not cause or knowingly permit the Mortgaged Property, including the soil and ground water thereof, to be in violation of, any applicable Hazardous Materials Laws. Mortgagors shall not permit Mortgagors, its beneficiary or any employees, agents, contractors or subcontractors of Mortgagors or its beneficiary or any other persons occupying or present on the Mortgaged Property to use, generate, manufacture, store or dispose of on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Materials, except as such Hazardous Materials may be required to be used, stored or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor and after sixty days written notice to Lender.

(c) Mortgagors shall immediately advise Lender in writing of: (i) Any notices received by Mortgagors (whether such notices are from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of the violation, asserted violation or potential violation, occurring on or about the Mortgaged Property of any applicable Hazardous Materials Laws; (ii) Any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Hazardous Materials Laws; (iii) All claims made or threatened by any third party against Mortgagors or the Mortgaged Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) Mortgagors's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any Hazardous Materials Claims. Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and Mortgagors shall pay to Lender, upon demand, all reasonable attorneys' and consultants' fees incurred by Lender in connection therewith.

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(d) Mortgagors shall be solely responsible for, and shall indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence (whether prior to, or after repayment of Borrower's Liabilities and notwithstanding that his Mortgage may have been released), regardless of by whom caused, whether by Mortgagors or any predecessor in title or any owner of land adjacent to the Mortgaged Property or any other third party, or any employee, agent, contractor or subcontractor of Mortgagors or any predecessor in title or any such adjacent land owner or any third person, of Hazardous Materials on, under or about the Mortgaged Property; including, without limitation: (i) claims of third parties (including governmental agencies) for damages, penalties, losses, costs, fees, expenses, damages, injunctive or other relief; (ii) response costs, clean-up costs, costs and expenses of removal and restoration, including fees of attorneys and experts, and costs of determining the existence of Hazardous Materials and reporting same to any governmental agency; and (iii) any and all expenses or obligations, including reasonable attorneys' fees, incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, reasonable attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses. Any loss, damage, cost, expense or liability incurred by Lender for which Mortgagors is responsible or for which Mortgagors have indemnified Lender shall be paid to Lender on demand, and, failing prompt reimbursement, such amounts shall, together with interest thereon at the Default Rate under the Note from the date incurred by Lender until paid by Mortgagors, be added to Borrower's Liabilities, be immediately due and payable and be secured by the lien of this Mortgage and the other Loan Instruments.

1.21 Mortgagors shall open and maintain all bank accounts associated with the Mortgaged Property with Lender, so long as there is a balance remaining unpaid on the Loan.

1.22 The Loan Commitment Letter dated February 1, 1991, attached hereto as Exhibit "C" is incorporated herein by reference and Mortgagors covenant and agree to be bound by, perform and observe the terms and conditions contained in said Loan Commitment Letter.

ARTICLE TWO

DEFAULTS

2.01. **Event of Default.** The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

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(a) The failure by Mortgagors (i) to pay or deposit within ten (10) days of the due date thereof any indebtedness evidenced by the Notes or any other amount due under any of the Loan Instruments or (ii) to keep, perform or observe for a period of thirty (30) days any other covenant, condition or agreement on the part of Mortgagors in this Mortgage.

(b) Any default under any of the Loan Instruments not cured within the applicable cure period, if any, provided in such Loan Instruments.

(c) The untruth of any warranty or representation made herein or in any affidavit or certificate executed by a party in Interest or any person acting on behalf of a Party in Interest in connection with the Loan, the application therefor or the disbursement thereof.

(d) The appointment of a receiver, trustee or conservator of a Party in Interest, all or any part of the Mortgaged Property or Mortgagors' or said beneficiary's business pertaining to the operation of the Mortgaged Property.

(e) The occurrence of any of the following events:

(i) An admission in writing by a Party in Interest of its inability to pay debts as they become due.

(ii) The institution by a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceedings of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing;

(iii) The institution against a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceeding of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing which proceedings are not dismissed within sixty (60) days of filing;

(iv) The making of a general assignment for the benefit of creditors by a Party in Interest;

(v) The declaration by any court, government or governmental agency of the bankruptcy or insolvency of a Party in Interest;

(vi) The entry of a final judgment against a Party in Interest for \$25,000 or more which is not satisfied within thirty (30) days of the date on which such judgment shall have become final and all stays of execution pending appeal or otherwise shall have expired;

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(vii) The issuance of a writ or warrant of attachment, levy, seizure or distraint or any similar process against a Party in Interest or all or a material part of the Mortgaged Property which is not stayed within sixty (60) days of issuance or the lapse of any such stay;

(viii) Any amendment of the agreement creating or governing Mortgagors or Mortgagors's beneficiary, if any, without Mortgagee's prior written consent; or

(ix) The dissolution, death or declaration, by a court of competent jurisdiction of the mental incompetency, of a Party in Interest.

For purposes of the foregoing clauses (i) through (ix), "a Party in Interest" shall mean Mortgagors, any beneficiary of Mortgagors, any general partner of Mortgagors or such beneficiary or any guarantor of any portion of the Loan.

ARTICLE THREE

REMEDIES

3.01. **Acceleration of Maturity.** If an Event of Default shall have occurred, Lender may declare the outstanding principal amount of the **Notes** and the interest accrued thereon and any other of Borrower's Liabilities to be immediately due and payable.

3.02. **Lender's Power of Enforcement.** If an Event of Default shall have occurred, lender may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not Borrower's Liabilities shall have been accelerated, and without prejudice to the right of Lender thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce payment of the **notes** and/or any other of Borrower's Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Lender may determine. Without limitation of the foregoing, if an Event of Default shall have occurred, as an alternative to the right of foreclosure for the full indebtedness evidenced by the **Notes** and the interest accrued thereon and any other Borrower's Liabilities, after acceleration thereof, Lender shall have the right to institute partial foreclosure proceedings with respect to the portion of Borrower's Liabilities so in default, as if under a full foreclosure, and without declaring all

of Borrower's Liabilities to be immediately due and payable (such proceedings being referred to herein as "partial foreclosure"), and provided that, if Lender has not elected to accelerate all of Borrower's Liabilities and a foreclosure sale is made because of default in payment of only a part of Borrower's Liabilities, such sale may be subject to the continuing lien of this Mortgage for the unmatured part of Borrower's Liabilities. Any sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured portion of Borrower's Liabilities, but as to such unmatured portion, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Lender may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the secured indebtedness by reason of any uncured Event of Default upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. Lender may proceed with one or more partial foreclosures without exhausting the right of full or partial foreclosure sale for any unmatured portion of Borrower's Liabilities, it being the purpose to provide for a partial foreclosure sale of the secured indebtedness for any matured portion of Borrower's Liabilities without exhausting the power to foreclose and to sell the Mortgaged property pursuant to any such partial foreclosure for any other portion of Borrower's Liabilities, whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

3.03. Lender's Right to Enter and Take Possession, operate and Apply Income.

(a) If an Event of Default shall have occurred, (i) Mortgagors, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Mortgaged Property, and Lender itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude Mortgagors and its agents and employees wholly therefrom and shall have joint access with Mortgagors to the books, papers and accounts of Mortgagors; and (ii) notwithstanding the provisions of any lease or other agreement to the contrary, Mortgagors shall pay monthly in advance to Lender, on Lender's entry into possession, or to any receiver appointed to collect the rents, income and other benefits of the Mortgaged Property, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Mortgagors, or any entity affiliated with or controlled by Mortgagors, and upon default in any such payment Mortgagors shall vacate and surrender possession of such part of the Mortgaged Property to Lender or to such receiver, and in default thereof Mortgagors may be evicted by summary proceedings or otherwise.

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(b) Upon every such entering upon or taking of possession, Lender, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof.

3.04. **Leases.** Lender is authorized to foreclose this Mortgage subject to the rights, if any, of any or all tenants of the Mortgaged property, even if the rights of any such tenants are or would be subordinate to the lien of this mortgage and it shall not be necessary for lender to name as a party defendant in any proceeding to foreclose this Mortgage any tenant, subject to whose rights Lender elects to foreclose this Mortgage. Lender may elect to foreclose the rights of some subordinate tenants while foreclosing subject to the rights of other subordinate tenants. The failure to make any subordinate tenant a party defendant to any foreclosure proceedings and to foreclose its rights will not be, nor be asserted by Mortgagors, any junior lien holder, any tenant or any other party claiming by, through or under Mortgagors to be, a defense to any such foreclosure proceeding or any other proceedings instituted by Lender to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

3.05 **Purchase by Lender.** Upon any foreclosure sale, Lender may bid for and purchase all or any portion of the Mortgaged property and, upon compliance with the terms of the sale may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.06 **Application of Foreclosure Sale Proceeds.** The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Lender shall be applied by Lender to the indebtedness secured hereby in such order and manner as Lender may elect in a written notice to Mortgagors given on or before sixty (60) days following confirmation of the sale and in the absence of such election, then first to expenses of sale, then to expenses including attorneys' fees of the foreclosure proceeding, then to interest and then to principal.

3.07. **Application of Indebtedness Toward Purchase Price.** Upon any foreclosure sale, Lender may apply any or all of the indebtedness and other sums due to Lender under the Note, this Mortgage or any other Loan Instrument or any other Borrower's Liabilities, or any decree in lieu thereof, toward the purchase price.

3.08 **Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws.** Mortgagors further agree, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagors nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay or extension laws now or hereafter in force or take

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any other action which would present or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat. Mortgagors, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. To the full extent permitted by law, Mortgagors hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage.

3.09. Receiver - Lender in Possession. If an Event of Default shall have occurred, Lender, to the extent permitted by law and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and other sums secured hereby, shall be entitled as a matter of right and secured hereby, and without any additional showing or proof, at Lender's election, to either the appointment by the court of a receiver (without the necessity of Lender posting a bond) to enter upon and take possession of the Mortgaged property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as mortgagee in possession with the same power herein granted to a receiver and with all other rights and privileges of a mortgagee in possession under law. The right to enter and take possession of and to manage and operate the mortgaged property, and to collect all rents, income and other benefits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such rents, income and other benefits actually received by Lender, whether received pursuant to this Paragraph 3.09 or Paragraph 3.03. Notwithstanding the appointment of any receiver or other custodian, Lender shall be entitled as pledgee to the possession and control of any cash, deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Lender.

3.10. Suits to Protect the Mortgaged Property. Lender shall have the power and authority (but not the duty) to institute and maintain any suits and proceedings as Lender may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Lender's interest.

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3.11 **Proofs of Claim.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagors or its beneficiary, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amounts due and payable under the Note, this Mortgage and any other Loan Instrument, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable after such date.

3.12 **Mortgagors to Pay Borrower's Liabilities in Event of Default, Application of Monies by Lender.**

(a) Upon occurrence of an Event of Default, Lender shall be entitled to sue for and to recover judgment against Mortgagors for Borrower's Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Lender to recover such judgment shall not be affected by any taking possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of Borrower's Liabilities, Lender shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagors hereby agree that no recovery of any judgment by Lender under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagors, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage.

(d) Any monies collected or received by Lender under this Paragraph 3.12 shall be applied to the payment of compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender, and the balance remaining shall be applied to the payment of Borrower's Liabilities in such order an manner as Lender may elect and any surplus, after payment of all Borrower's Liabilities, shall be paid to Mortgagors.

3.13 **Discontinuance of Proceedings; Position of Parties Restored.** If Lender shall have proceeded to enforce any right or remedy under this Mortgage and such proceedings shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Lender, then and

in every such case Mortgagors and Lender shall be restored to their former positions and right hereunder.

3.14. **Nature of Remedies.** No right, power or remedy conferred upon or reserved to the lender by the notes, this mortgage or any other Loan Instrument or any instrument evidencing or securing Borrower's Liabilities is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative. No delay or omission of Lender in the exercise of any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or be construed to waive any such Event of Default. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies in respect thereof.

ARTICLE FOUR

MISCELLANEOUS PROVISIONS

4.01 **Heirs, Successors and Assigns Included in Parties.** Whenever Mortgagors or Lender is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Mortgagors, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Lender. This Paragraph 4.01 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.02 **Notices.** All notices, requests, reports demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagors or Lender shall be directed to Lender at the place stated in the Note as the place of payment and to Mortgagors at the Address for Notices set forth on page 1 of the note. Any such notices, requests, reports, demands or other instruments shall be (i) personally delivered to the address referred to above, in which case they shall be deemed delivered on the date of delivery to said address or (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three business days after deposit in the U. S. mail, postage prepaid. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

4.03. **Headings.** The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

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4.04. **Invalid Provisions.** In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note or in any other Loan Instrument shall be in no way affected, prejudiced or disturbed thereby.

4.05 **Changes.** The terms and provisions hereof may be released, changed, waived, discharged or terminated only by an instrument in writing signed by all the parties hereto. Any agreement hereafter made by Mortgagors and Lender relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

4.06. **Governing Law.** This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

4.07 **Future Advances.** This Mortgage is given to secure not only existing indebtedness, but also future advances (whether such advances are obligatory or are to be made at the option of Lender, or otherwise) made by Lender under the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but all indebtedness secured hereby shall, in no event, exceed five times the aggregate face amount of the Notes.

4.08 **Attorneys' Fees.** Whenever reference is made herein to the payment or reimbursement of attorneys' fees, such fees shall be deemed to include allocable compensation to staff counsel, if any, of Lender in addition to the fees of any other attorneys engaged by Lender.

4.09 **Exculpatory Provision.** If this Mortgage is executed by an institutional land trustee, such trustee is a party hereto, not in its individual capacity but solely as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee. It is expressly understood and agreed that nothing contained herein or in the Loan Instruments shall be construed as creating any liability on such trustee in its individual capacity to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability in its individual capacity, if any, being expressly waived by Lender and by every person now or hereafter claiming any right or security hereunder. So far as Mortgagors and its successors and said trustee personally are concerned, the legal holder of the Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby mortgaged and any rent or proceeds therefrom for the payment

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thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided or by action to enforce the personal liability of any guarantors of said indebtedness or by the exercise of any remedy available under any of the other Loan Instruments.

MORTGAGOR: Stojan Ciproski
Stojan Ciproski

MORTGAGOR: Velika Ciproaska
Velika Ciproaska

MORTGAGOR: Dragi Trajkovski
Dragi Trajkovski

MORTGAGOR: Elizabeth Trajkovski
Elizabeth Trajkovski

MORTGAGOR: Zlatko Sekuloski
Zlatko Sekuloski

MORTGAGOR: Mila Sekuloski
Mila Sekuloski

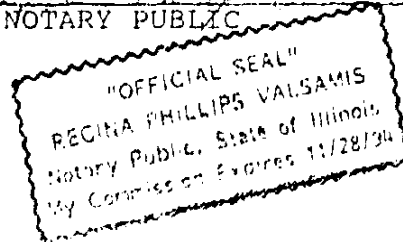
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a notary public in and for said County, in the State aforesaid, do hereby certify that Stojan Ciproski and Velika Ciproaska, his wife; Dragi Trajkovski and Elizabeth Trajkovski, his wife; and Zlatko Sekuloski and Mila Sekuloski, his wife, 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, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 17th day of March, 1992.

Regina Phillips Valsamis
NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY,
AND AFTER RECORDING RETURN TO:
Mr. Craig C. Westfall
NIGRO & WESTFALL, P.C.
1793 Bloomingdale Road
Glendale Heights, IL. 60139
(708) 682-9872



92195725

(Box 333)

BOX 333

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EXHIBIT A

LOT 211 IN RUDOLPH'S SUBDIVISION OF BLOCKS 4 AND 5 IN OGDENS
SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 18, TOWNSHIP 40 NORTH,
RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
ILLINOIS.

P.I.N. NO. 13-18-322-004 Volume 480

Commonly known as 4113 North Lincoln Avenue, Chicago, Illinois.

Property of Cook County Clerk's Office

92198725

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EXHIBIT "B"
PERSONAL PROPERTY

NONE

Property of Cook County Clerk's Office

92195725

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EXHIBIT "C"



FIRST COOK
COMMUNITY BANK

February 4, 1992

CIPROSKI

Mr. and Mrs Stoyan Cipro~~ski~~
Mr. and Mrs. Dragi Trajkov~~ski~~
Mr. and Mrs. Zlatko Sekuloski

ZLATKO

We are pleased to modify our loan commitment of December 20, 1991, as follows:

Modification:

Page 3 No. 15. Failure of Loan to Close:

Referenced disbursement date of February 18, 1992 is extended to April 14, 1992.

Page 4 Acceptance of the commitment and payment of the non-refundable partial commitment fee of \$3,000 is extended from January 6, 1992 to, on or before, February 14, 1992.

All other terms and conditions of the commitment of December 20, 1991, remain in full force and effect.

This modification letter is to be attached to and become a part of loan commitment letter of the undersigned, dated, December 20, 1991.

Sincerely,

George A. Rickord
Senior Vice President

1992 FEB 4 AM 9:31

92198725

Acknowledge the 5th day of February, 1992.

X Stoyan Cipro~~ski~~
Stoyan Cipro~~ski~~
STOJAN CIPROSKI

X Velika Cipro~~ska~~
Velika Cipro~~ska~~
VELIKA CIPROSKA

X Dragi Trajkov~~ski~~
Dragi Trajkov~~ski~~

X Elizabeth Trajkov~~ski~~
Elizabeth Trajkov~~ski~~

X Zlatko Sekuloski
Zlatko Sekuloski

X Mila Sekuloski
Mila Sekuloski

Locations: 2720 West Devon Avenue, Chicago, Illinois 60659, (312) 761-2700, Fax (312) 761-3606
100 Oak Brook Center, Oak Brook, Illinois 60521, (708) 954-3760, Fax (708) 954-3768
9147 North Waukegan, Morton Grove, Illinois 60053, (708) 966-6970, Fax (708) 966-6983
603 Public Square, Benton, Illinois 62812, (618) 439-6363, Fax (618) 439-9356

FDIC
INSURED

92198725

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December 20, 1991

Mr. and Mrs. Ciproksi
Mr. and Mrs. Dragi Trajkowski
Mr. and Mrs. Zlato Sekuloski

RE: Mortgage Loan Commitment

Dear :

Please be advised that First Cook Community Bank, F.S.B (hereinafter the "Lender") has approved your request for mortgage loan financing subject to the following terms and conditions:

1. Loans:
 - A. \$150,000 - to complete the purchase of a 6 unit multi-mix commercial/apartment complex commonly know as 4113 N. Lincoln Ave., Chicago, IL.
 - B. \$110,000 - refinance of property commonly known as 3811 N. Kedzie, Chicago, IL.
2. Borrower: Ciproksi/Stoyan/Velika
Trajkowski, Dragi/Elizabeth
Sekulowski, Zlato/Mila
3. Repayment:
 - A. The loan shall be amortized over 25 years with monthly payments of \$1,363.
 - B. The loan shall be amortized over 25 years with monthly payments of \$1,000.
4. Term:
 - A. The entire unpaid balance of the loan shall be due and payable in full 5 years from the date of the Note.
 - B. The entire unpaid balance of the loan shall be due and payable in full 5 years from the date of Note.

The lender will be under no obligation to refinance the balloon balance at note maturity.

90198725

Ciproksi et al

Page Two

5. Collateral:

Both loans shall be cross-collateralized by first mortgages assignment of leases and rents on properties commonly known as:

4113 N. Lincoln Ave., Chicago, IL

2811 N. ~~CRP~~, Chicago, IL

6. Interest Rate (*Keggie*
(Loans A and B))

From the date of disbursement, interest will be calculated at a fixed rate of 10% per annum. The interest rate shall be computed on the basis of a year consisting of 360 days and shall be charged for the actual number of days within the period for which interest is being charged. Subsequent to any default under the loan, the interest rate will be increased by an additional 4% per annum until such default is cured.

7. Loan Origination Fee; Closing Date:

Borrower agrees that by its acceptance of this Commitment the Lender has earned and is entitled to receive a non-refundable loan origination fee (the "loan origination fee") in the amount of \$4,500 (loan A) and \$3,300 (loan B) which amount is equal to 3% of the aggregate amount of the loan, plus "closing costs".

8. Prepayment:

There shall be no prepayment penalty associated with this loan.

9. Financial Statement:

This commitment is conditional upon approval by the Lender of the net worth and credit standing of the Borrower as disclosed initially by the financial statements and other credit information submitted to the Lender and subject to verification by an independent credit agency.

10. Environmental:

Lender's obligation to fund or disburse all or any portion of the Loan is expressly contingent upon:

(a) Borrower's compliance with the Illinois Responsible property Transfer Act, to the extent applicable;

(b) Lender's review and approval of a PHASE I Environmental Audit of the Property;

(c) If in its sole discretion, Lender's review of the PHASE I Environmental Audit warrants a PHASE II Audit, then Borrower will be required to provide, at Borrower's expense, a PHASE II Audit; and

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(d) Borrower must warrant compliance with and indemnify Lender against non-compliance with, all environmental statutes, regulations, ordinances, rules, and laws, whether federal, state or local.

If for any reason Lender is not satisfied with the environmental condition of the Property it can withdraw this Commitment at any time with no further obligation to fund hereunder.

11. M.A.I. Appraisal:

This Commitment of each property subject to Lender's receipt and approval of an M.A.I. Appraisal and address itself to the market/economic feasibility prospects for the Property and Loan to value ratio shall not exceed 75% on either property A or B.

12. Leases:

Borrower shall deliver certified copies of all leases and a certified rent roll to lender at least 7 business days prior to the Loan Closing.

13. Building Accounts:

Borrower agrees to maintain the property building accounts with Lender so long as any portion of the Loan remains unpaid.

14. Closing Costs:

All fees, expenses and costs incurred in connection with the preparation of this commitment, the Loan Documents, and the disbursement of Loan Proceeds, including, but not limited to, appraisers fees, fees of the Lender's attorney, recording costs, credit reports, title insurance commitments, and surveys shall be paid by Borrower. Leave in counsel to prepare the closing documents. The Borrower further agrees to reimburse the Lender for all costs incurred in the event this loan is not consummated other than as a result of the fault of the Lender.

15. Failure of Loan to Close:

If, without the fault of the Lender, the first disbursement of proceeds of loan does not occur on or before February 18, 1992, then at the option of Lender and without notice to Borrower, the Lender shall have the right to terminate its obligations under this commitment whereupon Borrower shall immediately reimburse the Lender for all fees and expenses incurred by the Lender, which Borrower is required to pay pursuant to this commitment.

The Lender and Borrower agree that in the event of a breach of this commitment by the Lender, actual damages would be difficult and impractical to ascertain and that the Loan Origination Fee is a

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reasonable estimate of Borrower's damages. Accordingly, if all conditions to the Lender's obligations to fund have been timely fulfilled and the Lender nevertheless fails to fund the first disbursement of the proceeds of the loan by the Loan Closing Date (or such later date as Borrower and the Lender mutually agree upon), Borrower may elect to terminate this commitment, in which event refund of the Loan Origination Fee, if paid by Borrower, shall constitute Borrower's sole and exclusive remedy for such breach, and if the Loan Origination Fee has not been paid by Borrower, Borrower's obligation to pay the Loan Origination Fee shall terminate and such termination shall constitute Borrower's sole and exclusive remedy for such breach.

The obligation of the Lender to extend any credit facility to the Borrower is subject to the completion of all documentation (including, but not limited to, credit and security agreements, assignments, warranties and restrictive covenants, and review and approval of legal counsel for the Lender. If the above terms are acceptable, please sign the acceptance of this portion of this letter and return to the undersigned along with a non-refundable partial commitment fee of \$3 000 on or before ~~January 6,~~ 1992.

Feb. 14, 1992

We appreciate the opportunity to help you in your financing needs and look forward to working with you throughout the future.

Sincerely,

FIRST COOK COMMUNITY BANK

By: George A. Rickora
George A. Rickora
Senior Vice President

I/(We) accept the foregoing terms and conditions and request that the Lender proceed to have the appropriate documentation for the credit arrangement prepared this 5th day of February, 1992.

x Stoyan Ciproski
Stoyan Ciproski

x Veilka Ciproska
Veilka Ciproska

x Dragi Trajkowski
Dragi Trajkowski

x Elizabeth Trajkowski
Elizabeth Trajkowski

x Zlato Sekuloski
Zlato Sekuloski

x Mila Sekuloski
Mila Sekuloski

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GENERAL TERMS AND CONDITIONS

1. CREDIT REPORTS:
This Commitment is subject to the review and approval of all credit reports and financial statements by First Cook Community Bank.
2. LOAN DOCUMENTS:
This loan shall be evidenced by a Loan Agreement and shall be secured by a note, first mortgage on the Property assignment of rents and leases, security agreement, Uniform Commercial Code Financing Statements, and all other documents reasonably required by Lender or its counsel (collectively, the "Loan Documents"), all of said documents to be in form and substance acceptable to Lender and its counsel.
3. FLOOD INSURANCE:
This Commitment is subject to full compliance with the Flood Disaster Protection Act and F.E.M.A.
4. HAZARD INSURANCE:
Borrower shall submit, at least three (3) days prior to closing, Evidence of Insurance form satisfactory to Lender or policy of fire and extended coverage insurance in at least the amount of the loan.
5. TITLE INSURANCE:
A title insurance policy must be issued by a title insurer acceptable to Lender in an amount not less than the loan amount, on a ALTA loan policy form (latest revision) insuring the mortgage to be executed by Borrower to be a first mortgage lien on the Property, subject only to those exceptions which may be approved by Lender, and containing usury, comprehensive No. 3 and ALTA Broad Form 3.1 zoning endorsements and any such other endorsements as Lender may require. Copies of all easements, restrictions, requirements or exceptions shall accompany the policy, and certified copies thereof shall be provided upon request by Lender.
6. SURVEY:
A survey of the property must be make by a registered surveyor or civil engineer approved by Lender and title insurer, and shall be certified in favor of Lender in compliance with ALTA/ACSM Standards 1988, and as amended from time to time, and contain an accurate legal description of the property and show the same as continuous to and not encroaching upon dedicated public streets, roads and highways.

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7. ENVIRONMENTAL AND ZONING LAWS:
Borrower shall be responsible for compliance with all zoning and environmental regulations and/or requirements of local, state or federal governmental prior to closing. Evidence of said compliance shall be submitted to Lender upon request.
8. MATERIAL CHANGE:
Lender shall not be under obligation to fund this loan should there be any material adverse change in Borrower's and Guarantors' financial position from that reflected in the financial statements, tax returns and other data previously submitted to Lender, or if any information previously submitted to Lender proves to be false. No liability shall be attached to Lender by reason thereof.
9. ASSIGNABILITY OF RIGHTS UNDER COMMITMENT:
This commitment is made in favor of only the persons to whom this Commitment is addressed as "Borrower". This Commitment is not assignable by Borrower, or transferrable by operation of law, or otherwise, except with the prior written consent of Lender.
10. TERMS TO SURVIVE CLOSING:
The terms and conditions set out in this Commitment shall be construed where possible to apply to the continuing relationship of Lender and Borrower and to supplement the various documents to be executed at Closing, and to that extent the terms and conditions of this Commitment Letter shall survive Closing.
11. FINANCIAL STATEMENTS:
This Commitment is conditional upon the continuation of the net worth and credit standing of the persons to be obligated to Lender at substantially as favorable a level as disclosed initially by the Financial statements and other credit information submitted to Lender and approved by same.
12. MORTGAGES. SPECIAL CLAUSE:
The mortgage shall provide that if any or any part, except bona fide sales of individual units, of the property or interest, therein is sold or transferred by Borrower without Lender's prior written consent, Lender may, at Lender's option, declare all sums secured by the mortgage to be immediately due and payable.
13. NOTE. SPECIAL CLAUSES:
The promissory Note shall provide that the Borrower shall pay at the option of the Lender a late charge equal to five (5%) percent of any installment of principal and interest, if such installment is made more than ten (10) days after the due date thereof. The late Lender's charge is imposed for the purpose of deferring expenses incident to the handling of such delinquent payment. In the event of an uncured default, in

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payment or otherwise, the entire unpaid principal balance and all accrued and unpaid interest thereon, shall bear interest at a rate which is the highest legal rate as provided by applicable laws.

14. CHOICE OF LAW:

This Commitment and the Loan Documents shall be governed by and construed in accordance with the laws of the State of Illinois.

15. TIME OF THE ESSENCE:

Time is of the essence of this Commitment. All dates and time periods specified herein all firm and shall not be extended without Lender's prior written approval.

16. SEVERABILITY:

If any provision of this Commitment shall be held unenforceable by a court, of competent jurisdiction, this commitment shall, at Lender's election, be deemed to be automatically reformed to the extent possible to render it enforceable. In no event shall the invalidity or unenforceability of any of the provisions of this Commitment affect or impair the validity or enforceability of any of the remaining provisions. Paragraphs headings are for convenience only and shall not affect the construction or interpretations of the terms and conditions of this Commitment.

I(We) the undersigned acknowledge the General Terms and Conditions and agree to abide by and comply with said General Terms and Conditions.

x Stoyan Ciproksi
Stoyan Ciproksi

x Veilka Ciproksi
Veilka Ciproksi


x Dragi Trajkowski
Dragi Trajkowski

x Elizabeth Trajkowski
Elizabeth Trajkowski

x Zlato Sekuloski
Zlato Sekuloski

x Mila Sekuloski
Mila Sekuloski

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STOJAN CIPROSKI
 3811 N. KEDZIE AVE.
 CHICAGO, IL 60618

No. 1407
 Feb. 05 - 1992 2-134/710

Order of First Cook Community Bank \$ 3,000.00
Three thousand no/100 ~~DOLLARS~~

LaSalle Bank Lake View
 3201 North Ashland Avenue
 Chicago, Illinois 60651

Pay to the order of Stojan Ciproski

MICR: @0710013421: 081 648 811 1407

Partial front fee - All

Rec 2-10-92

PROPERTY OF COOK COUNTY CLERK'S OFFICE 32198725