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JUNIOR REAL ESTATE MORTGAGE

94565685

THIS AGREEMENT (the "Mortgage") made as of this 22nd day of June, 1994, between Suzuki-Orff School for Young Musicians, an Illinois not-for-profit corporation, (the "Mortgagor"), and G.A.P. Venture (the "Mortgagee").

WITNESSETH: That to secure the payment of the original principal amount of Forty Thousand and no/100 Dollars (\$40,000.00), and the performance and observance by the Mortgagor, and any guarantors of any indebtedness secured hereby, of all of the covenants, agreements, and conditions contained in said Note, this Mortgage, in all other instruments pertaining to the repayment of any indebtedness secured hereby and in any other security agreement relating to sums secured hereby, the Mortgagor hereby mortgages and conveys to the Mortgagee:

All those certain lots, pieces, or parcels of land with the buildings and improvements thereon situated, lying and being in the County of Cook in the State of Illinois, as set forth in Exhibit A, attached hereto and made a part hereof.

TOGETHER with all improvements, tenements, hereditaments, gas, oil, minerals, easements, fixtures and appurtenances thereunto belonging or pertaining; all apparatus, equipment and appliances now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, ventilation and refrigeration; all machinery and other equipment of every nature and kind used or useful in connection with the maintenance and operation of the premises and intended for the use of tenants or occupants; (all of the foregoing whether now on the premises or hereafter erected, installed or placed thereon or therein, or whether physically attached thereto or not, are and shall be deemed a part of said real estate as between the parties hereto and all persons claiming by, through or under them, and a portion of the security for said indebtedness); and also all the estate, right, title and interest of the Mortgagor in and to the premises. As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the real estate, this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the Uniform Commercial Code), securing said indebtedness and obligations. Mortgagor represents and warrants that it is lawfully seized of the premises, that the same are unencumbered, except for a mortgage in the amount of \$210,000.00 in favor of Harris Bank Winnetka ("Harris"); and that it has good right, full power and lawful authority to convey and mortgage the same, and covenants that it will warrant and forever defend said premises and the quiet and peaceful possession of the same against any and all claims of all persons whomsoever;

TO HAVE AND HOLD the premises unto Mortgagee, its

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successors and assigns, forever, for the purposes, and uses herein set forth, free from all rights and benefits under the Homestead Exemption Laws of the State of Illinois, which said rights and benefits Mortgagor does hereby expressly release and waive.

Mortgagor covenants and agrees:

1. To pay, when due, all sums secured hereby.
2. Not to abandon the premises; to keep the premises in good condition and repair and not to commit or suffer waste; to pay for and complete within a reasonable time any building at any time in the process of erection upon the premises; to promptly repair, restore, or rebuild any building or improvement now or hereafter on the premises which may become damaged or destroyed; to refrain from impairing or diminishing the value of the security and to make no material alterations of the premises.
3. To comply with all requirements of law or municipal ordinances governing the premises and the use thereof; and to permit Mortgagee to inspect the premises at all reasonable times.
4. To keep the premises free from mechanics or other liens or claims for liens of any kind; to pay when due any indebtedness which may be secured by a lien or charge on the premises, including, without limitation, any condominium association assessments, dues or charges, and, upon request, to exhibit to Mortgagee satisfactory evidence of the payment and discharge of such liens or claims.
5. To pay, before any penalty attaches, all general taxes and to pay, when due, all special taxes, special assessments, water charges, drainage charges, sewer service charges and other charges against the premises, of any kind whatsoever, which may be levied, assessed, charged or imposed on the premises or any part thereof.
6. To promptly pay all taxes and assessments assessed or levied under or by virtue of any state, federal or municipal law or regulation now existing or hereafter adopted against Mortgagee upon this mortgage, or the debt hereby secured, or upon Mortgagee's interest under this mortgage, provided however, that the total amount so paid for any such taxes pursuant to this paragraph together with the interest payable on said indebtedness shall not exceed the highest lawful rate of interest in the State of Illinois for commercial business loans of this type and provided further that in the event of the adoption of any law or regulation affecting such highest lawful rate of interest, the entire indebtedness secured by this mortgage shall thereupon become immediately due and payable at the option of Mortgagee.
7. To exhibit to Mortgagee, at least annually and at any time upon request, official receipts showing full payment of all taxes, assessments and charges which Mortgagor is required or shall elect to pay hereunder.

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8. To keep the premises continuously insured until the indebtedness secured hereby is fully paid (or in case of foreclosure until expiration of the period of redemption, if any) against loss or damage under such types of hazard, liability and environmental hazard insurance, in such forms and amounts and written by such companies as may be approved or reasonably required from time to time by Mortgagee; all policies whether or not required by the terms of this mortgage, shall contain loss payable clauses in favor of the Mortgagee (or, in case of foreclosure sale, in favor of the owner of the certificate of sale); in the event of loss, penalty or judgment, Mortgagor shall immediately notify Mortgagee in writing and Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss, penalty or judgment jointly to Mortgagor and Mortgagee, and the insurance proceeds or any part thereof may be applied by Mortgagee, at its option, either to the reduction of the indebtedness hereby secured, or to the restoration or repair of the property damaged, or to the payment of any fine, penalty, judgment or clean-up costs assessed against Mortgagor or Mortgagee and any application thereof to the indebtedness shall not relieve Mortgagor from making any payments herein required until the indebtedness is paid in full.

9. To deliver to Mortgagee all policies of insurance, with evidence of premiums prepaid (renewal policies to be delivered not less than ten days prior to the respective dates of expiration), and all abstracts of title, title guarantee policies, Torrens certificate of title and other evidence of title to the premises, all of which shall be held by Mortgagee without liability, and in the event of foreclosure of this mortgage or transfer of title to the premises in extinguishment of said indebtedness, shall become the absolute property of Mortgagee. Mortgagee may, from time to time, at its option, waive, and after any such waiver, reinstate, any or all provisions hereof requiring deposit of insurance policies, by notice to Mortgagor in writing.

10. To make monthly deposits with Mortgagee, upon demand in the event deposits are not being made with Harris, in addition to any other payments required to be made hereunder at a sum equal to one-twelfth (1/12th) of the yearly taxes and assessments which may be levied against the premises and one-twelfth (1/12th) of the annual premium on the insurance policies covering the premises. The amount of such taxes and assessments and premiums, when unknown, shall be estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay such taxes and assessments and premiums when due. Any insufficiency of such deposits to pay such taxes and assessments and premiums when due shall be paid by Mortgagor to Mortgagee on demand. Upon any default under this mortgage, Mortgagee may apply any such deposits to any obligation secured hereby or due hereunder. The enforceability of the covenants relating to taxes and assessments and premiums herein otherwise provided, shall not be affected except insofar as the obligations thereunder have been actually met by compliance with this paragraph. Mortgagee may from time to time at its option

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waive, and after any such waiver reinstates, any or all provisions hereof requiring deposits for taxes and assessments and premiums, by notice to Mortgagor in writing. While any such waiver is in effect, Mortgagor shall pay taxes and assessments and premiums as herein elsewhere provided. So long as the Mortgagor is a tax exempt entity, the provisions of Paragraph 10 herein shall not be applicable.

11. To pay to Mortgagee any awards of damage resulting from condemnation proceedings or the taking or injury of the premises for public use, less reasonable costs and associated attorneys' fees and expenses of Mortgagor and the proceeds or any part thereof shall be applied by Mortgagee, at its option, after the payment of all of its expenses, including costs and attorneys' fees, to the reduction of the indebtedness hereby secured.

12. To deliver to the Mortgagee reports of the rental income and expenses of the premises in such reasonable detail as the Mortgagee may require signed by the responsible operating official of the premises, and to deliver financial statements of the Mortgagor or its beneficiary as requested by the Mortgagee. Any detail needed to explain said reports shall be furnished on request from the Mortgagee including but not limited to copies of any subleases of the premises.

13. In the event of default in performance of any of the covenants or agreements herein contained, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor, in any form and manner deemed expedient and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the premises and the lien hereof shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the rate in effect after maturity as set forth in the note described above. Mortgagee, making any payment hereby authorized relating to taxes or assessments, shall be the sole judge of the legality and validity thereof and of the amount necessary to be paid in satisfaction thereof.

14. If (a) default be made in payment, when due, of any sum secured hereby, or in any of the other covenants or agreements herein contained to be performed by Mortgagor or, (b) if there be a default in the terms and/or conditions of any other agreement between the Mortgagor and the Mortgagee relating to the sum hereby secured or to any other indebtedness of the Mortgagor to Mortgagee or, (c) if there be a default in the terms or conditions of any other agreement between the Mortgagor and the Mortgagee, (d) if any proceedings be instituted or process issued

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other than by Mortgagee (i) to enforce any other lien, charge, or encumbrance against the premises, or (ii) against Mortgagor under any bankruptcy or insolvency laws, or (iii) to place the premises or any part thereof in the custody or control of any court through its receiver or other officer, and such proceedings are not dismissed or stayed on appeal or such process withdrawn within ten days after written notice to Mortgagor, or (e) in the event the Mortgagor shall create or permit to exist any mortgage, lien or other encumbrance on the premises other than the encumbrance represented by this Mortgage and the Mortgage in favor of Harris in the amount of \$210,000.00, or (f) in the event the Mortgagor shall convey title to any person or persons other than the Mortgagor, or shall suffer or permit Mortgagor's equity of redemption to become vested in any person or persons other than the Mortgagor; or (g) if Mortgagor makes any assignment for the benefit of creditors, or is at any time insolvent, or (h) if by or with the consent or at the instance of Mortgagor or any guarantor proceedings to extend the time of payment of any sums secured hereby or to change the terms of this mortgage be instituted; then,

- I. All sums secured hereby shall, at the option of Mortgagee, become immediately due and payable without notice, with interest thereon,

- II. Mortgagee may immediately foreclose this mortgage. The Court in which any proceeding is pending for that purpose may, at once or at any time thereafter, either before or after sale, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the premises, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loan hereby secured is made), for the benefit of Mortgagee, with power to collect the rents, issues and profits of the premises, due and to become due during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the premises, prior and subordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the premises, and may pay all or any part of the indebtedness secured hereby or any deficiency decree, and Mortgagor hereby grants to Mortgagee the right, acting through itself, its agents or attorneys, either with or without process of law, forcibly or otherwise, to enter upon and take possession of the premises and property, expel and remove any persons, goods or chattels, occupying or upon the same, and to collect or receive all the rents,

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issues and profits thereof, and to manage and control the same, and to lease the same or any part thereof from time to time, and after deducting all reasonable attorneys' fees, and all expenses incurred in the protection, care, maintenance, management and operation of the premises, apply the remaining net income upon the indebtedness secured hereby, or upon any deficiency decree entered by virtue of any sale held pursuant to a decree of foreclosure.

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

(a) All sums secured hereby and remaining unpaid,

(b) All sums advanced or paid by Mortgagee pursuant to this mortgage with interest,

(c) All court costs, attorneys' fees, appraisers' fees, expenditures for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, as Mortgagee may deem necessary in connection with (i) any proceeding, including probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant, or defendant, by reason of this Mortgage or any indebtedness hereby secured; or (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (iii) preparations for the defense of any threatened suit or proceeding which might affect the premises or the security hereof, whether or not actually commenced. All expenditures and expenses of this type mentioned in this subparagraph (c) shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon. The proceeds of any foreclosure sale shall be distributed and applied to the items described in subparagraphs (a), (b), and (c) in order of priority inversely to the manner in which said subparagraphs are above listed and any surplus of the proceeds of such sale shall be paid to Mortgagor.

16. Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on their own behalf and on behalf of each and every person, except decree or judgment creditors of the Mortgagor, acquiring any interest in the title to the Premises subsequent to the date of this Mortgage.

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17. No remedy or right of Mortgagee shall be exclusive of but shall be in addition to every other remedy of right now, or hereafter, existing at law or in equity. No delay in exercising, or omission to exercise, any remedy or right, accruing on any default shall impair any such remedy or right, or shall be construed to be a waiver of any such default, or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

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

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

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

(c) exercise or refrain from exercising or waive any right Mortgagee may have,

(d) accept additional security of any kind,

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

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

19. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word Mortgagor shall include all persons claiming under or through Mortgagor (including, if this Mortgage is executed by a trust or trustee, any beneficiary thereof) and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note, any guaranty or this mortgage. Wherever used, the singular number shall include the plural and the singular, and the use of any gender shall be applicable to all genders.

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IN WITNESS WHEREOF, the undersigned, have executed
this Mortgage as of the day and year first written above.

Suzuki-Orff School for
Young Musicians, an Illinois
not-for-profit corporation

Attest:

Secretary

By: *Angela Rozensky*
President

This instrument was prepared
by and mail to:

David A. Kallick
Tishler & Wald, Ltd.
200 S. Wacker Drive
Suite 2600
Chicago, IL 60606
(312) 876-3800
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ACKNOWLEDGMENT

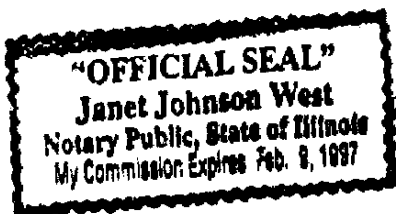
STATE OF ILLINOIS))
) SS.
 COUNTY OF COOK))

I, the undersigned, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY that SYLVIA POZAKA'SKY and _____, the PRESIDENT OF THE BOARD and _____ of Suzuki-Orff School for Young Musicians, 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 said instrument as their own free and voluntary act and as the free and voluntary act of said company for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 22nd day of June, 1994.

Janet Johnson West
 Notary Public

My commission expires:



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Exhibit "A"

Unit Number 100 in Handelsman Lofts Condominium as delineated on a survey of the following described real estate:

Lots 22 to 29 in Harbine and Roman's Subdivision of that part of the Southeast 1/4 of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian lying south and west of Milwaukee Avenue; which survey is attached as Exhibit "A" to the Declaration of Condominium recorded as Document 94563969, together with its undivided percentage interest in the common elements in Cook County, Illinois.

Address of Property: Unit 100, 1148 W. Chicago Ave.
Chicago, IL 60622

PIN: 17-05-115-029

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