

LEASEHOLD MORTGAGE

This Leasehold Mortgage (the "Mortgage"), dated as of August 21, 1997, is made between Queen of the Sea Restaurant, Inc., having its principal office at 8701 S. Stony Island, Chicago, Illinois 60617 (the "Mortgagor"), and Homer King and Lettie J. King, with an address of 5471 S. Hyde Park Blvd., Chicago, Illinois 60615 (the "Mortgagees").

Curtis Guy and Muggie Guy, (the "Buyers/Debtors") have entered into a Stock Purchase Agreement with the Mortgagees dated June 23, 1997 (the "Stock Purchase Agreement") for the purchase of the outstanding common stock of the Mortgagor (the "Stock"), and as partial payment for the Stock, Buyers have delivered a Promissory Note (the "Secured Promissory Note") payable to the order of Mortgagees on or before November 21, 2016 in the principal sum of \$230,000.00, with interest thereon at the rate of 9% per annum, to the Mortgagees.

As an inducement for the Mortgagees to accept the Secured Promissory Note as partial payment for the Stock, the Mortgagor has delivered to the Mortgagees that certain Guaranty of Note and Other Undertakings dated the date hereof (the "Guaranty") and that certain Security Agreement dated the date hereof (the "Security Agreement") as security for the Guaranty.

To further secure the payment of the Secured Promissory Note and to further secure the terms, covenants, promises, agreements and conditions as more fully described in the Guaranty and the Security Agreement, the Mortgagor hereby mortgages and warrants to the Mortgagees, their successors and assigns the following described real estate:

The Mortgagor's interest under that certain Lease by and between John W. Strong and Chicago City Bank and Trust Company U/T/A dated 12/15/88 A/K/A Trust No. 12441 and Queen of the Sea Restaurant, Inc. (the "Lease") for the premises located at 8701 South Stony Island Avenue, Chicago, Illinois, and 1605 and 1611 East 87th Street, Chicago, Illinois, having a legal description as set forth in Exhibit A attached hereto.

Permanent Real Estate Index Number(s): 25-01-100-001

Address(es) of Real Estate: 8701 South Stony Island Avenue, 1605 and 1611 E. 87th St., Chicago, Illinois.

In the event of a default in payment of the Secured Promissory Note, or any part thereof, or the interest thereon, or any part thereof, at the time and in the manner specified for the payment thereof, or in the event of a default under the Guaranty or Security Agreement as described therein, or in case of waste or non-payment of taxes or assessments on said premises,

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or of a breach of any of the covenants or agreements herein contained, then and in such case the whole of said principal sum and interest payable under the Secured Promissory Note, the Guaranty and Security Agreement shall thereupon, at the option of the said Mortgagees, their executors, administrators, attorneys, successors or assigns, become immediately due and payable; and this Mortgage may be immediately foreclosed to pay the same by said Mortgagees, their executors, administrators, attorneys or assigns, to enter into and upon the premises hereby granted, or any part thereof, and to receive and collect all rents, issues and profits thereof.

If any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating or affecting the remainder of such provision or the remaining provisions of this Mortgage.

Dated this 21st day of August, 1997.

QUEEN OF THE SEA RESTAURANT, INC.

Curtis Guy
Curtis Guy, President
Maggie Guy
Maggie Guy, Secretary

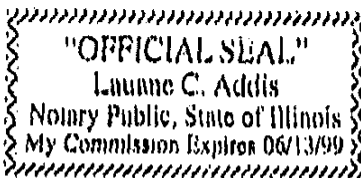
This instrument was prepared by: Lauane C. Addis
Katz, Karacic, Mishin & Addis, P.C.
180 N. LaSalle Street, Suite 3001
Chicago, IL 60601



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lauane C. Addis, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Curtis Guy, personally known to me to be the President and Maggie Guy, personally known to me to be the Secretary of Queen of the Sea Restaurant, Inc. are 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, including the release and waiver of the right of homestead.

Given under my hand and official seal this 21st day of August, 1997.



Lauane C. Addis
Notary Public

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EXHIBIT A

LEGAL DESCRIPTION

Lots 19 and 20 in Block 1 in Welch's Stony Island Avenue Addition to Chicago, being a Subdivision of Lot 1 in the partition of the West ½ of the North West ¼ of Section 1, Township 37 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as 8701 S. Stony Island Avenue, Chicago, Illinois

P.I.N. 25-00-00-001

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