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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 100431

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MORRIS W. CARTER
RECORDER Page One

MORTGAGE

Executed in the City of Chicago, State of Illinois, on November 29, 2004.

This Mortgage is given by James Sedic, individually and doing business as SJ Rehab, hereinafter called Borrower, of Hobart, Indiana, to 1201 South Western, LLC, hereinafter called Lender, which term includes any holder of this Mortgage, to secure the payment of the PRINCIPAL SUM of \$116,500.00, as evidenced by a Promissory Note executed on November 29, 2004, together with interest thereon computed on the outstanding balance, all as provided in the Promissory Note having the same date as this Mortgage, and also to secure the performance of all the terms, covenants, agreements, conditions and extensions of the Promissory Note and this Mortgage.

In consideration of the loan made by Lender to Borrower and for the purpose expressed above, Borrower does hereby grant and convey to Lender, with MORTGAGE COVENANTS, the land with the buildings situated thereon and all the improvements and fixtures now and hereafter a part thereof, being located at 903 East 16th Street, Hobart, Indiana and more particularly described in Exhibit A attached hereto and made a part hereof.

Borrower further covenants and agrees that:

1. No superior mortgage or the note secured by it will be modified without the consent of Lender hereunder.
2. Borrower will make with each periodic payment due under the Note secured by this Mortgage a payment sufficient to provide a fund from which the real estate taxes, betterment assessments and other municipal charges which can become a lien against the mortgaged premises can be paid by Lender when due. This provision shall be effective only in the event that a fund for the same purpose is not required to be established by the holder of a senior mortgage.
3. In the event that Borrower fails to carry out the covenants and agreements set forth herein, Lender may do and pay for whatever is necessary to protect the value of and Lender's rights in the mortgaged property and any amounts so paid shall be added to the Principal Sum due Lender hereunder.
4. As additional security hereunder, Borrower hereby assigns to Lender, Borrower's rents of the mortgaged property, and upon default the same may be collected without the necessity of making entry upon the mortgaged premises.
5. In the event that any condition of this Mortgage or any senior mortgage shall be in default for fifteen (15) days, the entire debt shall become immediately due and payable at the option of Lender. Lender shall be entitled to collect all costs and expenses, including reasonable attorney's fees incurred.
6. In the event Borrower transfers ownership (either legal or equitable) or any security interest in the mortgaged property, whether voluntarily or involuntarily, Lender may at his option declare the entire debt due and payable.
7. This Mortgage is also security for all other direct and contingent liabilities of Borrower to Lender which are due or become due and whether now existing or hereafter contracted.
8. Borrower shall maintain adequate insurance on the property in amounts and form of coverage acceptable to Lender and Lender shall be a named insured as his interest may appear.

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9. Borrower shall not commit waste or permit others to commit actual, permissive or constructive waste on the property.

10. Borrower further covenants and warrants to Lender that Borrower is indefeasibly seized of said land in fee simple; that Borrower has lawful authority to mortgage said land and that said land is free and clear of all encumbrances except as may be expressly contained herein.

This Mortgage is made upon the STATUTORY CONDITION and the other conditions set forth herein, for breach of which Lender shall have the STATUTORY POWER OF SALE to the extent existing under State law.

Executed under seal November 29, 2004.

BORROWER:

Sedric James, individual and d/b/a SJ Rehab

ACKNOWLEDGMENT

STATE OF ~~ILLINOIS~~ IN
COUNTY OF ~~COOK~~ LAKE

Document is NOT OFFICIAL!

I, the undersigned, a Notary Public, in and for the Count and State aforesaid, DO HEREBY CERTIFY that Sedric James, personally known to me, whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that as such signed and delivered the said instrument and as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 29 day of November 2004.

Notary Public

This document was prepared by and mail to: Arnold H. Landis
77 West Washington Street,
Suite 702, Chicago, Illinois 60602

