

RECORDATION REQUESTED BY:

Northside Community Bank
5103 Washington Street
Gurnee, IL 60031



WHEN RECORDED MAIL TO:

Northside Community Bank
5103 Washington Street
Gurnee, IL 60031
Attention: James Randall

SEND TAX NOTICES TO:

This Mortgage prepared by:

Crowley Barrett & Karaba, Ltd.
20 South Clark, Suite 2310
Chicago, Illinois 60603

MORTGAGE

THIS MORTGAGE is entered into this 11th day of April, 2001, between 1250 LLC, an Illinois limited liability company ("Grantor") and NORTHSIDE COMMUNITY BANK, an Illinois state bank ("Lender").

SECTION 1: GRANT OF MORTGAGE

1.1 Grant of Mortgage. For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the real property described on the attached Exhibit A, together with all Improvements; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters (collectively, the "Real Property"). The Real Property tax identification number and common address are shown on the attached Exhibit A.



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1.2 Leases and Rent. Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

1.3 SCOPE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE PERSONAL PROPERTY AND RENTS, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY LIENS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE TERMS SET FORTH HEREIN.

SECTIONS 2: GRANTOR'S AGREEMENTS AND COVENANTS

2.1 Payment and Performance. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

2.2 Possession and Maintenance of the Property. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

(a) Possession and Use. Until the occurrence of an Event of Default, Grantor may: (i) remain in possession and control of the Property; (ii) use, operate or manage the Property; and (iii) collect any Rents from the Property.

(b) Duty to Maintain. Grantor shall maintain, and cause its lessees to maintain, the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

(c) Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (i) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under,

or about the Property; (ii) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (A) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any prior owners or occupants of the Property or (B) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (iii) Except as previously disclosed to and acknowledged by Lender in writing, (A) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or about the Property and (B) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste. Grantor hereby (x) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (y) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

(d) Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

(e) Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

(f) **Lender's Right to Enter.** Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

(g) **Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

(h) **Duty to Protect.** Grantor agrees neither to abandon nor leave the Property unattended. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are necessary to protect and preserve the Property.

2.3 Taxes and Liens. Grantor agrees to comply with the following provisions regarding taxes and liens:

(a) **Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay, and cause any lessee to pay (as appropriate), when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following subsection (b).

(b) **Right To Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

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(c) **Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

(d) **Notice of Construction.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the aggregate cost of such work, services and/or materials exceeds Five Thousand Dollars (\$5,000). Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

2.4 Property Damage Insurance. Grantor agrees to comply with the following provisions regarding property damage insurance:

(a) **Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount approved by Lender (which shall at least be sufficient to avoid application of any coinsurance clause), and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, to the extent such insurance is required by Lender and is or becomes available, for the term of the loan and for the full unpaid principal balance of the loan, or the maximum limit of coverage that is available, whichever is less.

(b) **Unexpired Insurance at Sale.** Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

(c) **Grantor's Report on Insurance.** Grantor shall furnish to Lender, upon its request, a report on each existing policy of insurance showing such information as Lender may reasonably request, including without limitation, the following: (i) the name of the insurer; (ii) the risks insured; (iii) the amount of the policy; (iv) the properties insured; (v) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (v) the expiration date of the policy. In addition, upon request of Lender, Grantor will

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have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of the Property.

2.5 Tax and Insurance Reserves. Upon Lender's request following an Event of Default, Grantor agrees to establish a reserve account in such amount deemed to be sufficient by Lender and shall pay monthly into that reserve account an amount equivalent to 1/12 of the annual real estate taxes and insurance premiums, as estimated by Lender, so as to provide sufficient funds for the payment of each year's taxes and insurance premiums one month prior to the date the taxes and insurance premiums become delinquent. Grantor shall further pay a monthly pro-rata share of all assessments and other charges which may accrue against the Property. If the amount so estimated and paid shall prove to be insufficient to pay such taxes, insurance premiums, assessments and other charges, Grantor shall pay the difference on demand of Lender. All such payments shall be carried in an interest-free reserve account with Lender. Lender shall have the right to draw upon the reserve account to pay such items, and Lender shall not be required to determine the validity or accuracy of any item before paying it. Nothing in the Mortgage shall be construed as requiring Lender to advance other monies for such purposes, and Lender shall not incur any liability for anything it may do or omit to do with respect to the reserve account. All amounts in the reserve account are hereby pledged to further secure the Indebtedness, and Lender is hereby authorized to withdraw and apply such amounts on the Indebtedness upon the occurrence of an Event of Default as described below.

2.6 Expenditures by Lender. If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this section shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

2.7 Warranty; Defense of Title; Compliance. Grantor makes the following warranties and agreements regarding title to the Property and compliance with applicable laws:

(a) **Title.** Grantor warrants that: (i) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (ii) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

(b) **Defense of Title.** Subject to the exception in subsection (a) above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

(c) **Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

2.8 Condemnation. Grantor agrees to comply with the following provisions regarding condemnation of the Property:

(a) **Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, proceeds of such award shall be applied in accordance with Section 2.10 hereof.

(b) **Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

2.9 Imposition of Taxes, Fees and Charges by Governmental Authorities. Grantor agrees to comply with the following provisions regarding governmental taxes, fees and charges:

(a) **Current Taxes, Fees and Charges.** Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

(b) **Taxes.** The following shall constitute taxes to which this section applies: (i) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (ii) a specific tax on Grantor which Grantor is authorized

or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (iii) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (iv) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

(c) **Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (i) pays the tax before it becomes delinquent, or (ii) contests the tax as provided in Section 2.3(b) and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

2.10 Distribution of Casualty Insurance, Eminent Domain and Condemnation Proceeds. If all or any part of the 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 by any proceeding or purchase in lieu of condemnation, Grantor shall promptly and with all due diligence restore and repair the Property whether or not the proceeds, awards or other compensation ("Proceeds") are sufficient to pay the cost of such restoration or repair. Lender shall not be obligated to make any loans to Grantor or any other party to fund such costs. At Lender's election, to be exercised by written notice to Grantor within thirty (30) days following Lender's unrestricted receipt in cash or the equivalent thereof of said Proceeds, the entire amount of said Proceeds shall either (i) be applied to the Indebtedness in such order and manner as Lender may elect as a prepayment and if such Proceeds are insufficient to prepay the Indebtedness in full, Lender may declare the remaining balance due and payable, or (ii) be made available to Grantor on such terms and conditions as Lender may impose, including without limitation the terms and conditions set forth in this Section, for the purpose of financing the cost of restoration or repair with any excess to be applied to the Indebtedness. *Notwithstanding the foregoing*, if (I) in the reasonable judgment of Lender, the Property which has been destroyed, damaged or taken can be repaired or restored to an architectural and economic unit of the same character and not less valuable than they were prior to such damage and destruction, (II) the insurers, in the case of a casualty, do not deny liability to the insured, (III) Grantor shall have delivered evidence satisfactory to Lender in its reasonable judgment that the Property, as an ongoing enterprise, continues to be feasible notwithstanding such damage, destruction or taking, (IV) no Event of Default shall have occurred and remain continuing hereunder, and (V) the repair or restoration will, in the reasonable opinion of the Lender, be completed not later than the maturity date of the Note, then Lender will make the Proceeds, after deducting from such Proceeds all expenses incurred by Lender in the collection thereof or in connection with the release of such Proceeds, including reasonable attorneys' fees, available for repair or restoration on the conditions herein contained. If the amount of Proceeds to be made available to Grantor pursuant to this Section is less than the cost of the restoration or repair as estimated by Lender at any time prior to completion thereof, Grantor shall cause to be deposited with Lender the amount of such deficiency within thirty (30) days of Lender's written request therefor (but in no event later than the commencement of the work) and Grantor's deposited funds shall be disbursed prior to any such Proceeds. If Grantor is

required to deposit funds under this Section, the deposit of such funds shall be a condition precedent to Lender's obligation to disburse any Proceeds held by Lender hereunder. Without limitation of Lender's rights hereunder, it shall be an additional condition precedent to any disbursement of Proceeds held by Lender hereunder that Lender shall have approved all plans and specifications for any proposed repair or restoration. The amount of Proceeds which is to be made available to Grantor, together with any deposits made by Grantor hereunder, shall be held by Lender to be disbursed from time to time to pay the cost of repair or restoration either, at Lender's option, to Grantor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof, including, without limitation, requiring third party inspections and the use of an insured construction escrow. Lender may commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it, nor shall Grantor or any other party be entitled to a credit against any of the Indebtedness except and to the extent the funds are applied thereto pursuant to this Section. Notwithstanding any other provision of this Section, if an Event of Default shall be existing at the time of such casualty, taking or other event or if an Event of Default occurs thereafter and remains continuing, Lender shall have the right to immediately apply all Proceeds to the payment of the Indebtedness in such order and manner as Lender may determine. Lender shall have the right, but not the obligation, at all times to apply such net Proceeds to the cure of any Event of Default or the performance of any obligations of Grantor or any other party hereunder or under the Related Documents.

2.11 Representations and Warranties Grantor represents and warrants to Lender as of the date hereof:

(a) Organization. Grantor is a limited liability company which is duly organized, validly existing, and in good standing under the laws of Illinois. Grantor has the full power and authority to own its properties and to transact the businesses in which it is presently engaged or presently proposes to engage. Grantor also is duly qualified as a foreign corporation and is in good standing in all jurisdictions in which the failure to so qualify would have a material adverse effect on its businesses or financial condition.

(b) Authorization. The execution, delivery, and performance of this Mortgage and all Related Documents by Grantor have been duly authorized by all necessary action by Grantor; do not require the consent or approval of any other person, regulatory authority or governmental body; and do not conflict with, result in a violation of, or constitute a default under (i) any law, governmental regulation, court decree, or order applicable to Grantor, or other agreements or instrument binding upon Grantor, or (ii) any provision of Grantor's articles of incorporation or organization, or operating agreement.

(c) Financial Information. Each financial statement of Grantor supplied to Lender truly and completely disclosed Grantor's financial condition as of the date of

the statement, and there has been no material adverse change in Grantor's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Grantor has no material contingent obligations except as disclosed in such financial statements.

(d) **Legal Effect.** This Mortgage constitutes, and any instrument or agreement required hereunder to be given by Grantor when delivered will constitute, legal, valid and binding obligations of Grantor enforceable against Grantor in accordance with their respective terms in all applicable jurisdictions.

(e) **Properties.** All of Grantor's properties are titled in Grantor's legal name, and Grantor has not used, or filed a financing statement (or other evidence of a lien, charge or security interest) under, any other name in any jurisdiction for at least the last five (5) years, except as disclosed to Lender in writing.

(f) **Litigation and Claims.** No litigation or claim against Grantor is pending or threatened, and no other event has occurred which may materially adversely affect Grantor's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

(g) **Taxes.** All tax returns and reports of Grantor that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full.

(h) **Lien Priority.** Other than the liens in favor of the Senior Lender, Grantor has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Property directly or indirectly securing repayment of the Indebtedness or other obligations hereunder, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such collateral.

(i) **Binding Effect.** This Mortgage and all Related Documents executed by Grantor are binding upon Grantor as well as upon Grantor's successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

(j) **Location of Borrower's Offices and Records.** The chief place of business of Grantor and the office or offices where Grantor keeps its records concerning the Property is located at 400 West Ontario, Main Floor, Chicago, IL 60610.

(k) **Information.** All information heretofore or contemporaneously herewith furnished by Grantor to Lender for the purposes of or in connection with this Mortgage or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Grantor to Lender will be, true and accurate in every material respect on the date as of which such information is dated or certified; and

none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

(I) Status of Real Property and Facility.

(i) Grantor is vested with good and marketable fee simple title to the Property, free and clear of liens, Security Interests, claims and other encumbrances, except for liens in favor of the Senior Lender and any reservations, easements, restrictions, conditions, and covenants approved by Lender at closing.

(ii) The Property is in conformity with all applicable laws governing the construction, development and operation thereof, including, but not limited to health, environmental, zoning, and subdivision laws, as applicable and private property restrictions.

(iii) Grantor has examined and is familiar with all the easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and foreign, federal, state, and local requirements affecting the operation of the Property. The Property will at all times and in all respects conform to and comply with the requirements of such easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and foreign, federal, state, and local requirements.

2.12 Survival of Representations and Warranties: Application. Grantor understands and agrees that Lender is relying upon the representations and warranties contained in this Mortgage in making a loan to Borrower. Grantor agrees that the representations and warranties herein shall be continuing in nature and shall remain in full force and effect until, unless otherwise specified herein, such time as the Note and Indebtedness shall be paid in full.

SECTION 3: SECURITY AGREEMENT

3.1 Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

3.2 Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall

assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after notice from Lender.

3.3 Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the Security Interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the signature page of this Mortgage.

SECTION 4: ADDITIONAL COVENANTS; FURTHER ASSURANCES; ATTORNEY-IN-FACT

4.1 Grantor's Affirmative Covenants. Grantor covenants and agrees with Lender that, while this Mortgage is in effect, Grantor will:

(a) **Litigation and Other Matters.** Promptly inform Lender in writing of (i) all material adverse changes in Grantor's financial condition, (ii) all litigation and claims and all threatened litigation and claims (A) affecting Grantor or any Guarantor which could materially affect the financial condition of Grantor or the financial condition of any Guarantor or (B) regarding the operation or use of the Property (regardless of the amount claimed therein), and (iii) any event, occurrence or other matter which has had a materially adverse effect or which could have a materially adverse effect on any part of the Property or any other collateral. Grantor shall assist Lender in any litigation involving Lender with respect to any collateral.

(b) **Financial Records.** Maintain its books and records in accordance with generally accepted accounting principles, applied on a consistent basis, and permit Lender to examine and audit Grantor's books and records at all reasonable times.

(c) **Financial Statements.** Furnish Lender with, as soon as available, but in no event later than ninety (90) days after the end of each fiscal year, a balance sheet and income statement for the year ended for Grantor, and, as requested by Lender, a work-in-process report for each of the Property, prepared and certified as correct to the best knowledge and belief by Jeffrey B. Gelman or other person acceptable to Lender. All financial reports required to be provided hereunder shall be prepared in accordance with generally accepted accounting principles, applied on a consistent basis, and certified by Grantor as being true and correct.

(d) **Additional Information.** Furnish such additional information and statements, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Grantor's financial condition and the operation of the Property as Lender may request from time to time.

(e) **Other Agreements.** Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Grantor and any other party

and notify Lender immediately in writing of any default in connection with any other such agreements.

(f) **Performance.** Perform and comply with all terms, conditions, and provisions set forth in this Mortgage and in all other instruments and agreements between Grantor and Lender in a timely manner, and promptly notify Lender if Grantor learns of the occurrence of any event which constitutes or would, with the passage of time or the giving of notice, or both, constitute an Event of Default hereunder.

(g) **Operations.** Conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations; maintain any registration, if required, and all other licenses, permits, approvals and other regulatory matters, if any, on a current basis and in good standing and shall, if required, obtain a license or permit from, or make any registration or filing with, any federal, state or local governmental agency charged with the regulation of the Property, both before and after completion, and send a copy thereof to Lender within ten (10) days after such license or permit is obtained or registrations or filing is made. Grantor agrees that if Lender determines that a particular federal, state or local qualification or registration is necessary or advisable to effectuate the intent of the Note or any of the Related Documents, Grantor shall promptly obtain such qualification or registration.

(h) **Inspection.** Permit employees or agents of Lender at any reasonable time to inspect the Property and to examine or audit Grantor's books, accounts, and records and to make copies and memoranda of Grantor's books, accounts, and records. If Grantor now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Grantor, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Grantor's expense. In addition to any rights provided for herein, Lender shall be permitted to have an audit performed on Grantor's books and records (at Grantor's expense) following an Event of Default.

(i) **Leases.** At all times fully comply with the terms of the leases which Grantor has entered into with respect to the Property and take all actions necessary to maintain said leases in good standing. Grantor agrees not to request or consent to any amendment, alteration or modification of any commercial leases without the prior written consent of Lender.

(n) **Transfer and Stamp Taxes.** Pay all transfer and stamp taxes imposed by any government on any portion of the transactions contemplated hereby or any of the Property. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default

and Lender may exercise any or all of its available remedies for an Event of Default unless Grantor either (i) pays the tax before it becomes delinquent, or (ii) contests the tax as provided elsewhere in this Mortgage and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

(o) **Management and Marketing of the Property.** Fully and satisfactorily manage and market the Property in accordance with all applicable federal, state and local laws, rules and regulations. To the extent that an affiliate of Grantor has the responsibility for any aspect of such management or marketing, Grantor shall cause such entity to satisfactorily fulfill such responsibility.

4.2 Grantor's Negative Covenants. Grantor covenants and agrees with Lender that while this Mortgage is in effect, Grantor shall not, without the prior written consent of Lender, or as otherwise provided for herein:

(a) **Continuity of Operations.** Cease operations, liquidate, merge or consolidate with any other entity.

(b) **Amend Organizational Documents.** Without Lender's prior written consent amend, modify or supplement its organizational documents or agreements.

(c) **Loans, Acquisitions and Indebtedness.** (i) Loan money or assets, (ii) purchase or acquire any interest in any other enterprise or entity, or (iii) incur any obligation as surety, borrower or guarantor (other than the loan from the Senior Lender on terms approved by Lender).

(d) **Distribution of Proceeds.** Make any distribution of proceeds from the sale of condominium units at the Property to anyone other than (i) professionals for necessary services rendered, (ii) the Senior Lender in accordance with its loan documents, and (iii) Lender as repayment of the Indebtedness.

(e) **Transactions with Affiliates.** Enter into or be a party to any transaction or arrangement, including, without limitation, the purchase, sale, lease or exchange of property or the rendering of any service, with any of its Affiliates except after prior notice to Lender and in the ordinary course of and pursuant to the reasonable requirements of Grantor's business and upon fair and reasonable terms no less favorable to the Grantor than would obtain in a comparable arm's-length transaction with any person or entity not its Affiliate.

(f) **Security Interests; Judgments.** Allow any of the Property to become subject to any Security Interest other than in favor of Lender (or Senior Lender) or allow any judgment to be levied or any other action to be instituted against any of the Property.

(g) **Lease Transactions.** Enter into a commercial lease of any term, or a residential lease in excess of two (2) years for any portion of the Property on terms

and conditions not otherwise approved by Lender. Any lease (or proposal therefor) for which Lender has not given its prior written approval shall state therein that it is subject to Lender's approval and not binding upon Grantor until such approval is obtained. In addition, Grantor shall not amend, modify or otherwise alter any of the terms and conditions of any such lease with respect to the Property without the prior written consent of Lender. Grantor shall insert in each new commercial lease of any term, and each residential lease in excess of two (2) years, language regarding subordination and attornment, as acceptable to Lender.

4.3 Further Assurances. At any time, and from time to time, upon request of Lender Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Note, this Mortgage, and the Related Documents, and (b) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this Section.

4.4 Attorney-in-Fact. If Grantor fails to do any of the things referred to in Section 4.3, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's opinion, to accomplish the matters referred to in Section 4.3.

SECTION 5: DUE ON SALE; RELEASES; FULL PERFORMANCE

5.1 Due on Sale - Consent by Lender. Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. Transfer also includes any change in ownership of more than twenty-five percent (25%) of the limited liability company interests of Grantor. **Notwithstanding the foregoing**, Grantor shall be permitted to (a) sell condominium units to bona fide third parties on arms-length terms provided that all proceeds from such sale be

used only for (i) the payment of professionals for necessary services rendered in connection with such sale, (ii) repayment of the loans made by the Senior Lender in accordance with its loan documents, and (iii) repayment of the Indebtedness to Lender (such sale being referred to herein as a "Permitted Sale"), and (b) enter into residential leases of not more than two (2) years in duration and commercial leases approved by Lender.

5.2 Partial Releases. Lender shall execute and deliver partial releases for Permitted Sales (defined in Section 5.1 above).

5.3 Full Performance. If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

SECTION 6: EVENTS OF DEFAULT; REMEDIES

6.1 Events of Default. An Event of Default under the Note shall constitute an Event of Default hereunder.

6.2 Rights and Remedies. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

(a) **Accelerate Indebtedness.** Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment fee which Grantor would be required to pay.

(b) **UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

(c) **Collect Rents.** Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subsection either in person, by agent, or through a receiver.

(d) **Mortgagee in Possession.** Lender shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The mortgagee in possession or receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

(e) **Judicial Foreclosure.** Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

(f) **Deficiency Judgment.** If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Mortgage.

(g) **Other Remedies.** Lender shall have all other rights and remedies provided in this Mortgage, the Guaranty or the Note or available at law or in equity.

6.3 Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

6.4 Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

6.5 Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

6.6 Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover reasonable attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its

interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the Note rate. Expenses covered by this Section include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

SECTION 7: DEFINITIONS; MISCELLANEOUS PROVISIONS.

7.1 Definitions. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Illinois Uniform Commercial Code (810 ILCS 1/1 et seq. as amended from time to time, the "Uniform Commercial Code"). All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Borrower. The word "Borrower" means **JEFFREY B. GELMAN and 1250 LLC**, their respective successors and permitted assigns

CERCLA. The word "CERCLA" has the meaning set forth in Section 2.2(c).

Event of Default. The word "Event of Default" has the meaning set forth in Section 6.1.

Grantor. The word "Grantor" means **1250 LLC**, an Illinois limited liability company, its successors and permitted assigns. Any Grantor who signs this Mortgage, but does not sign the Note, is signing this Mortgage only to grant and convey that Grantor's interest in the Property to Lender and is not personally liable under the Note except as otherwise provided by contract or law. The Grantor is the mortgagor under this Mortgage.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. In addition to the Note, the word "Indebtedness" includes all obligations, debts and liabilities, plus interest thereon, of Grantor and the Borrower

to Lender, or any one or more of them, as well as all claims by Lender against Grantor and the Borrower, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated and whether Grantor or Borrower may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations, and whether such Indebtedness may be or hereafter may become otherwise unenforceable. **At no time shall the principal amount of the Indebtedness secured by this Mortgage, not including sums advanced to protect the security of this Mortgage, exceed the Maximum Amount Secured. Specifically, without limitation, this Mortgage secures a revolving line of credit and shall secure not only the amount which Lender has presently advanced to Grantor under the Note, but also any future amounts Lender may advance to Grantor under the Note in its discretion may loan to Grantor under the Note within twenty (20) years from the date of this Mortgage to the same extent as if such future advance were made as of the date of the execution of this Mortgage. Under this revolving line of credit, at the sole and absolute discretion of the Lender, the Grantor may borrow, repay and reborrow, on or after the date hereof and prior to the Maturity Date, subject to the terms, provisions and limitations set forth in this Note.**

Lender. The word "Lender" means **NORTHSIDE COMMUNITY BANK**, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Maximum Amount Secured. The words "Maximum Amount Secured" mean the amount of Four Million Dollars (\$4,000,000.00).

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

Note. The word "Note" means that certain Promissory Note executed by Borrower to Lender dated April 11, 2001 in the principal amount of \$1,850,000 together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for such promissory note. The Note has a **final maturity date of October 13, 2001.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" have the meaning set forth in Section 1.1.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, collateral assignments and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property, whether due now or later.

SARA. The word "SARA" has the meaning set forth in Section 2.2(c).

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Senior Lender. The words "Senior Lender" mean Northside Community Bank, together with its successors and assigns.

7.2 Miscellaneous Provisions.

(a) Entire Agreement; Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Cook County, the State of Illinois. **LENDER AND GRANTOR HEREBY WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR ANY GRANTOR**

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AGAINST THE OTHERS. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

(c) **Caption Headings.** Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

(d) **Merger.** There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

(e) **Multiple Parties; Corporate Authority.** All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Mortgage. To the extent that Grantor is a corporation, partnership or limited liability company, it hereby represents and warrants to Lender that the execution of this Mortgage has been authorized by all necessary corporate, partnership or limited liability company action, as the case may be.

(f) **Severability.** If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

(g) **Successors and Assigns.** Subject to the limitations stated in this Mortgage on transfer of Grantor's interest in the Real Property or a change in ownership of Grantor, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance, extension or any other modification without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

(h) **Survival.** All warranties, representations, and covenants made by Grantor in this Mortgage or in any certificate or other instrument delivered by Grantor to Lender under this Mortgage shall be considered to have been relied upon by Lender and will survive the making of the loan secured hereby and delivery to Lender of the Related Documents, regardless of any investigation made by Lender or on Lender's behalf.

(i) **Time Is of the Essence.** Time is of the essence in the performance of this Mortgage.

(j) **Agency.** Nothing in this Mortgage shall be construed to constitute the creation of a partnership or joint venture between Lender and Grantor. Lender is not an agent or representative of Grantor. This Mortgage does not create a contractual relationship with and shall not be construed to benefit or bind Lender in any way with or create any contractual duties by Lender to any other person.

(k) **Notices.** All notices required to be given under this Mortgage shall be given in writing and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown on the signature pages hereof or, if via facsimile, when sent via facsimile transmission to the party to whom the notice is to be given at the facsimile number shown on the signature pages hereof and confirmation is received of successful transmission (with a copy of said notice is then sent by United States mail). Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address(es).

(l) **Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all indebtedness secured by this Mortgage.

(m) **Waiver of Right of Redemption.** NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS MORTGAGE, GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED UNDER 735 ILCS 5/15-1601(b) OR ANY SIMILAR LAW EXISTING AFTER THE DATE OF THIS MORTGAGE, ANY AND ALL RIGHTS OF REDEMPTION ON BEHALF OF GRANTOR AND ON BEHALF OF ANY OTHER PERSONS PERMITTED TO REDEEM THE PROPERTY.

(n) **Waivers and Consents.** Lender shall not be deemed to have waived any rights under this Mortgage (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions.

(o) **Lender's Discretion.** Whenever this instrument requires either Lender's consent, election, approval or similar action or otherwise vests in Lender the authority to make decisions and/or determinations, such actions shall be made or withheld in Lender's sole and absolute discretion, unless specifically provided

otherwise and the granting of any consent, approval or similar action by Lender in any instance shall not constitute continuing consent or approval in subsequent instances where such is required.

(p) Grantor's Representations and Warranties Regarding Borrower.

Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (c) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

(q) Illinois Insurance Notice. Unless Grantor provides Lender with evidence of the insurance coverage required by this Mortgage, Lender may purchase insurance at Grantor's expense to protect Lender's interests in the collateral. This insurance may, but need not, protect Grantor's interests. The coverage that Lender purchases may not pay any claim that Grantor makes or any claim that is made against Grantor in connection with the collateral. Grantor may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Grantor has obtained insurance as required by their agreement. If Lender purchases insurance for the collateral, Grantor will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Grantor's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Grantor may be able to obtain on Grantor's own.

[signature page to follow]

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GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

1250 LLC,
an Illinois limited liability company

By: Chicago Capital Consultants II, Inc.
Its Manager

By: [Signature]
Its President

Address: 400 West Ontario
Main Floor
Chicago, IL 60610
Attn: Jeffrey Gelman
Tel: 312-988-1500 Fax: 312-943-9755

LENDER:

NORTHSIDE COMMUNITY BANK
5103 Washington Street
Gurnee, IL 60031
Attention: James Randall
Tel: 847-244-5100 Fax: 847-244-5175

ACKNOWLEDGEMENT

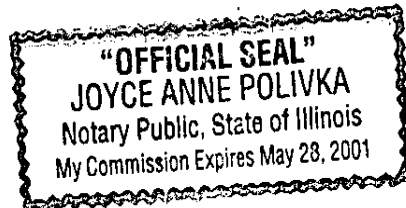
I, the undersigned, a Notary Public in and for the County of COOK in the State of ILLINOIS, DO HEREBY CERTIFY that Jeffrey B. Gelman, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer of the Manager of Grantor ~~appeared before me this day in person and~~ acknowledged that he signed and delivered this instrument as his free and voluntary act, and as the free and voluntary act of Grantor for the uses and purposes therein set forth.

Given under my hand and notarial seal this 10 day of APRIL, 2001.

[Signature]
Notary Public

Attached: Exhibit A - Legal Description

G:\CLIENTS\NorthSide\Gelman 2001\Business Mortgage 1250.doc



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Exhibit A

Parcel A:

10294808

Parcel 1:

Unit 401, 403, 407, 408, 409, 410, 411, 413, 414, 501, 502, 503, 506, 511, 601, 603, 604, 606, 608, 610, 611, 613, 614, 703, 704, 706, 707, 708, 709, 710, 711, 712, 803, 806, 808, 810, 812, 902, 903, 904, 908, 911, 913, 1002, 1003, 1004, 1006, 1008, 1010, 1103, 1104, 1106, 1108, 1111, 1206, 1208, 1211, 1212, 1303, 1306, 1308, 1309, 1310, 1311, 1312, 1401, 1406, 1408, 1412, 1502, 1503, 1504, 1506, 1508, 1509, 1510, 1512, 1603, 1604, 1606, 1608, 1610, 1611, 1612, 1701, 1702, 1703, 1704, 1706, 1708, 1710, 1711 and 1712 and Unit P-105, P-111, P-112, P-113, P-115, P-116, P-117, P-118, P-119, P-120, P-121, P-122, P-123, P-124, P-125, P-126, P-127, P-128, P-129, P-130, P-131, P-133, P-134, P-135, P-136, P-137, P-138, P-143, P-145, P-146, P-147, P-149, P-151, P-153, P-154, P-155, P-156, P-159, P-160, P-161, P-205, P-218, P-219, P-220, P-221, P-228, P-250, P-301, P-302, P-304, P-305, P-306, P-307, P-309, P-310, P-311, P-312, P-313, P-314, P-315, P-316, P-317, P-318, P-319, P-320, P-321, P-322, P-323, P-324, P-325, P-326, P-327, P-328, P-329, P-330, P-331, P-333, P-334, P-335, P-336, P-337, P-338, P-339, P-340, P-341, P-342, P-343, P-344, P-345, P-346, P-347 and P-348 in 1250 North LaSalle Condominium as delineated on and defined on the plat of survey of the following described parcel of real estate:

Parts of lots 1 to 5 inclusive, in Dickinson, Müller and Mckinlay's subdivision of sub-lot 21 in the resubdivision of lot 43 (except the North 120 feet thereof) and of sub-lots 1 to 21 both inclusive in Reeve's subdivision of lots 44, 47, 48, 57 and 58 inclusive in Bronson's Addition to Chicago; and the East 121 feet of lots 59 and 60 in said Bronson's Addition, in the Northeast 1/4 of section 4, township 39 North, range 14 East of the Third Principal Meridian, (except, however, that part of said premises lying between the West line of LaSalle Street and a line 14 feet west of and parallel with the West line of North LaSalle Street) in Cook County, Illinois.

Also

Parts of lots 15 to 20 inclusive, in the resubdivision of lot 43 (except the North 120 feet thereof) and of sub-lots 1 to 21, both inclusive, in Reeve's subdivision of lots 44, 47, 48, 57 and 58 in Bronson's Addition to Chicago, in section 4, township 39 North, Range 14 East of the Third Principal Meridian, (except, however, from said premises that part thereof lying between the west line of North LaSalle Street and a line 14 West of and parallel with the West line of North LaSalle Street, conveyed to the City of Chicago by Quit Claim Deed dated November 19, 1931 and recorded December 22, 1931 as document number 11022266) in Cook County, Illinois.

Which survey is attached as Exhibit "A" to the Declaration of Condominium recorded September 25, 2000 as document number 00745214, as amended from time to time, together with its undivided percentage interest in the common elements.

Parcel 2:

Easement for the benefit of Parcel 1 for air rights as disclosed by Declaration of Easements and Restrictions dated September 5, 2000 and recorded September 15, 2000 as document number 00718025 made by 1250 LLC, an Illinois Limited Liability Company.

FIN:

17-04-221-020, 17-04-221-021, 17-04-221-022,

17-04-221-023, 17-04-221-024, 17-04-221-025, 17-04-221-026, 17-04-221-027 and 17-04-221-028.

Address: 1250 N. LaSalle St., Chicago IL