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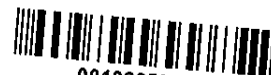
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First American Title Order # CC 200979-PP - 2 of 5

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**FIRST MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING**

Dated as of July 10, 2001

in the amount of \$5,000,000

from THE MENOMONEE CLUB,  
an Illinois not-for-profit corporation

as Mortgagor

to CITIBANK, N.A.,  
a national banking association

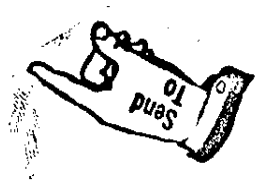
as Mortgagee

LOCATION OF PREMISES:

1535 North Dayton,  
Chicago, Cook County, Illinois

This Instrument Prepared by,  
and after recording return to:

Scott A. Lindquist, Esq.  
Sonnenschein Nath & Rosenthal  
8000 Sears Tower  
Chicago, Illinois 60606



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## FIRST MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS FIRST MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made as of July 10, 2001, by and between THE MENOMONEE CLUB, an Illinois not-for-profit corporation ("Borrower"), as mortgager, whose address is 244 West Willow, Chicago, Illinois 60614, and CITIBANK, N.A., a national banking association ("Lender"), as mortgagee, whose address is 425 Park Avenue, 4<sup>th</sup> Floor, New York, New York 10022.

### W I T N E S S E T H

A. Pursuant to that certain Loan Agreement (the "Loan Agreement") between Borrower and Lender dated as of even date herewith, Lender has agreed to make a loan (the "Loan") to Borrower in the principal amount of \$5,000,000. All capitalized terms not otherwise defined in this Mortgage shall have the meanings specified in the Loan Agreement.

B. The Loan will be evidenced by a promissory note (the "Note") dated as of even date herewith in the amount of the Loan, to be executed by Borrower to the order of Lender.

NOW, THEREFORE, in consideration of Lender agreeing to make the Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

### ARTICLE I. MORTGAGE

1.1 Mortgage Borrower hereby irrevocably grants, conveys, mortgages, transfers and assigns to Lender, its successors and assigns, in trust, with power of sale and right of entry and possession as provided below, for the benefit of Lender, all of its present and future fee estate, including all right, title and interest of Borrower in and to the following described property, whether such property is now or hereafter in existence (the "Mortgaged Property").

(a) All that certain real property located at 1535 North Dayton, Chicago, Cook County, Illinois, more particularly described in Exhibit A attached hereto (the "Land");

(b) All estate, right, title and interest of Borrower in and to any and all buildings, improvements, appurtenances and fixtures of any kind located on the Land, now existing or hereafter constructed including but not limited to all apparatus, equipment and appliances used in connection with the operation or occupancy of the Land, such as heating and air-conditioning systems and facilities used to provide any utility services, refrigeration, ventilation, or other services on the Land, and all window coverings, drapes and rods, carpeting and floor coverings, it being intended and agreed that all such items will be conclusively considered to be a part of Borrower's real

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property estate conveyed by this Mortgage, whether or not attached or affixed to the Land (the "Improvements");

(c) All appurtenances, easements, rights of way and other privileges or rights relating to the Land, together with any present or future interest of Borrower in the Land or in any other land or property arising by or constructed on the Land (together with the Land and the Improvements, the "Real Property");

(d) All leases, subleases and subtenancies, occupancy agreements and concessions affecting the Real Property, including without limitation, all rents, royalties, income and profits arising from the Real Property or from any lease, subleases, subtenancies, occupancy agreements or concessions, including without limitation, any security deposits;

(e) All interest of Borrower in and to any condemnation awards, insurance proceeds, or any causes of action, damages or recoveries relating to the Real Property or Borrower's fee estate;

(f) All minerals, oil, gas and other hydrocarbon substances on the Real Property, as well as to any development rights, air rights, solar rights, water, water rights, and water stock relating to the Real Property;

(g) All goods, equipment, trade fixtures, machinery inventory and other personal property located on the Real Property which are owned by Borrower and used in the operation or occupancy of the Real Property or in any construction on the Real Property but which are not effectively made real property under clause (b) above, including but not limited to all appliances, building service equipment, and building materials, supplies and equipment;

(h) All general intangibles owned by Borrower relating to the development or use of the Real Property, including but not limited to all governmental permits relating to construction on the Real Property, all names under or by which the Real Property may at any time be operated or known and all rights to carry on business under any such names or any variant thereof, and all trademarks and good will in any way relating to the Real Property;

(i) All deposit accounts or other accounts of Borrower maintained with respect to the Mortgaged Property;

(j) All contracts related to the repair, maintenance and operation of the Real Property, including without limitation, all contracts related to property management, maintenance, utilities and security;

(k) All proceeds, products and substitutions of any of the foregoing.

1.2 Obligations Secured. This Mortgage secures all of Borrower's Obligations under the Loan Agreement, including but not limited to:

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(a) The payment and performance of Borrower's indebtedness and obligations under the Note;

(b) The payment and performance of all of Borrower's other obligations under the Loan Agreement and the other Loan Documents (other than the Environmental Indemnity);

(c) Any and all modifications, extensions and renewals of the Loan or to the Note or Loan Agreement;

(d) The payment of all sums advanced or paid out by Lender under any provision of this Mortgage or to protect the security of this Mortgage; and

(e) The payment of the principal and interest on all other future loans or advances made by Lender to Borrower (or any partners in or successor-in-interest to Borrower) when any document evidencing the loan or advance specifically states that it is secured by this Mortgage ("Future Advances"), including all extensions, renewals and modifications of any Future Advances.

ARTICLE II.  
COVENANTS OF BORROWER

To protect the security of this Mortgage Borrower covenants for the benefit of Lender as follows:

2.1 Payment of Indebtedness. Borrower shall pay and perform all Obligations that are secured by this Mortgage in accordance with any of the agreements or covenants set forth herein.

2.2 Insurance. Borrower shall maintain in force on the Mortgaged Property all policies of insurance required under the Loan Agreement.

2.3 Payment of Taxes; Claims. Borrower shall pay prior to delinquency all taxes and assessments which are or may become a lien on the Mortgaged Property or which are assessed against the Mortgaged Property or its rents, royalties, profits and income. Borrower shall pay when due all lawful claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered for the Mortgaged Property (subject to Borrower's rights to contest the same as provided in the Loan Documents).

2.4 Waste; Maintenance and Repair. Borrower shall not commit any waste on the Mortgaged Property or take any actions that might invalidate any insurance carried on the Mortgaged Property. Borrower will maintain the Mortgaged Property in good condition and repair. No Improvements may be removed, demolished or materially altered without the prior written consent of Lender, except as permitted under the Loan Agreement.

2.5 Change in Use; Compliance with Laws. Without the prior written consent of Lender (which consent shall not be unreasonably withheld), Borrower shall not seek, make or

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consent to any change in the zoning or conditions of use of the Land which would impair the ability of Borrower to construct Improvements on the Real Property. Borrower shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Mortgaged Property. Borrower shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Mortgaged Property.

2.6 Actions Affecting Lender's Security. Borrower shall, at its own expense, appear in and defend any action or proceeding that might affect Lender's security or the rights or powers of Lender or that purports to affect any of the Mortgaged Property. If Borrower fails to perform any of its Obligations secured by this Mortgage, or if any action or proceeding of any kind (including but not limited to any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Lender's interest in the Mortgaged Property or Lender's right to enforce its security, then Lender may, at its option, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Mortgage or to remedy the failure of Borrower to perform its covenants (without, however, waiving any default of Borrower). Borrower agrees to pay all costs and expenses of Lender thus incurred (including but not limited to reasonable fees and disbursements of counsel). Any sums disbursed or advanced by Lender pursuant to this Section 2.6 will be additional indebtedness of Borrower secured by this Mortgage, and will be payable by Borrower upon demand. Any such sums so disbursed or advanced by Lender pursuant to this Section 2.6 will bear interest at a rate equal to the Default Rate as set forth in the Note. This paragraph will not be construed to require Lender to incur any expenses, make any appearances, or take any actions.

### ARTICLE III. CASUALTY AND CONDEMNATION

3.1 Borrower's Obligation to Restore. If the Improvements shall be damaged or destroyed, in whole or in part, by fire or other casualty (a "Casualty"), Borrower shall give prompt notice thereof to Lender. Following the occurrence of a Casualty, and subject to Borrower receiving the proceeds of the insurance Borrower is required to maintain hereunder, Borrower shall promptly proceed to restore, repair, replace or rebuild the Improvements to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with applicable laws. The expenses incurred by Lender in the adjustment and collection of insurance proceeds shall become part of the amounts owing in connection with the Loan and shall be secured by this Mortgage and shall be reimbursed to Lender upon demand.

3.2 Insured Losses; Condemnation Proceeds. In case of loss or damages covered by any insurance policy required to be maintained by Borrower under the Loan Documents or a condemnation or taking under power of eminent domain of any portion of or interest in the Real Property, the following provisions shall apply:

(a) Settlement by Borrower. If there is a Casualty with a cost to repair that does not, or condemnation proceeding with proceeds that will not, exceed \$100,000, then

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Borrower may settle and adjust any claim without the consent of Lender and agree with the insurance company or companies or the condemning authority on the amount to be paid upon the loss; provided that such adjustment is carried out in a competent and timely manner. In such case, Borrower is hereby authorized to collect and receipt for any such condemnation or insurance proceeds.

(b) Settlement by Lender. If there is a Casualty with a cost to repair that does, or condemnation proceeding with proceeds that will, exceed \$100,000.00, then Lender may settle and adjust any claim without the consent of Borrower and agree with the insurance company or companies or the condemning authority on the amount to be paid on the loss and the proceeds of any such policy shall be due and payable solely to Lender and held in escrow and applied by Lender in accordance with the terms of this Mortgage.

(c) Application of Proceeds to Rebuilding. In the event of a Casualty or condemnation proceeding, and if Borrower has deposited with Lender in an amount equal to the difference between the total cost of restoration/rebuild and net dollar proceeds actually received by Lender, and so long as no Event of Default exists, the proceeds (after reimbursement of any expenses incurred by Lender and after application of any funds deposited by Borrower with Lender) shall be applied to reimburse Borrower for the cost of restoring, repairing, replacing or rebuilding the Improvements or part thereof subject to the Casualty, in the manner set forth below. Borrower hereby covenants and agrees to commence and diligently to prosecute such restoring, repairing, replacing or rebuilding; provided always, that Borrower shall pay all costs (and if required by Lender, Borrower shall deposit the total thereof with Lender in advance), as estimated by Lender, of completing such restoration, repair, replacement or rebuilding in excess of the net proceeds made available pursuant to the terms hereof.

(d) Application of Proceeds Absent Rebuilding. Except as provided in Section 3.2(c), the proceeds collected upon any Casualty or condemnation shall, at the option of Lender in its sole discretion, be applied to the payment of the Obligations or applied to reimburse Borrower for the cost of restoring, repairing, replacing or rebuilding the Improvements or part thereof subject to the Casualty or condemnation, in the manner set forth below. Any such application to the Obligations shall be without any prepayment consideration. Any such application to the Obligations shall be applied first to interest then accrued and unpaid and then to principal but shall not postpone any payments otherwise required pursuant to the Note.

(e) Conditions to Disbursement of Proceeds to Reimburse Borrower. If Borrower is entitled to reimbursement out of insurance or condemnation proceeds held by Lender, then such proceeds shall be disbursed from time to time upon Lender being furnished with (a) evidence satisfactory to it of the estimated cost of completion of the restoration, repair, replacement and rebuilding, (b) funds or, at Lender's option, assurances satisfactory to Lender that such funds are available, sufficient in addition to the insurance or condemnation proceeds to complete the proposed restoration, repair, replacement and rebuilding, and (c) such architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, bonds, plats of survey and such other evidences of cost, payment and performance as Lender may reasonably

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require and approve. Lender may, in any event, require that all plans and specifications for such restoration, repair, replacement and rebuilding be submitted to and approved by Lender prior to commencement of work. No payment made prior to the final completion of the restoration, repair, replacement and rebuilding shall exceed 90% of the value of the work performed from time to time; funds other than proceeds of insurance or condemnation shall be disbursed prior to disbursement of such proceeds; and at all times, the undisbursed balance of such proceeds remaining in the hands of Lender, together with funds deposited for that purpose or irrevocably committed to the satisfaction of Lender by or on behalf of Borrower for that purpose, shall be at least sufficient in the reasonable judgment of Lender to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Any surplus which may remain out of insurance or condemnation proceeds held by Lender after payment of such costs of restoration, repair, replacement or rebuilding shall be paid to any party entitled thereto.

ARTICLE IV.  
ASSIGNMENT OF LEASES AND RENTS

4.1 Assignment. As additional security for the payment and performance by Borrower of the Obligations secured by this Mortgage, Borrower hereby absolutely, presently, unconditionally and irrevocably assigns to Lender any existing and future leases and other occupancy agreements and all existing and future rents, royalties, income and profits of the Mortgaged Property that arise from its use or occupancy.

4.2 Revocable License. Until the occurrence of an Event of Default, Borrower shall have a license to collect and receive those rents, royalties, income and profits. Upon any Event of Default by Borrower, Lender may terminate Borrower's license in its discretion at any time upon notice to Borrower and may thereafter collect the rents, royalties, income and profits itself or by an agent or receiver. No action taken by Lender to collect any rents, royalties, income or profits will make Lender a "mortgagee-in-possession" of the Mortgaged Property, unless Lender personally or by agent enters into actual possession of the Mortgaged Property. Possession by a court appointed receiver will not be considered possession by Lender. All rents, royalties, income and profits collected by Lender or a receiver will be applied to pay all expenses of collection, and to the payment of all costs of operation and management of the Mortgaged Property, and to the payment of the Obligations secured by this Mortgage in whatever order Lender directs in its absolute discretion and without regard to the adequacy of its security. Lender's right to a receiver shall be absolute and unconditional, and a receiver may be obtained in an independent action, regardless of whether Lender seeks any relief other than the appointment of a receiver; Borrower expressly waives any express or implied legal requirement that might otherwise require the initiation or pendency of an action or proceeding seeking other relief as a condition to the appointment of a receiver. The receiver may be appointed without regard to the adequacy of any security for the Obligations and Borrower shall immediately surrender possession of the Mortgaged Property to the receiver upon his appointment.

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4.3 Leases. Borrower shall not enter into, amend, modify or terminate any lease or other occupancy agreement affecting the Real Property without the prior consent of Lender, except in accordance with the provisions of the Loan Agreement.

ARTICLE V.  
ALIENATION AND FURTHER ENCUMBRANCES

Except as permitted under the Loan Agreement, Borrower shall not voluntarily or involuntarily, by operation of law or otherwise, suffer or permit any of its interests or rights in the Mortgaged Property to be assigned, sold, pledged, encumbered, transferred, hypothecated or otherwise disposed of until the provisions of the Loan Agreement have been fully complied with and the Loan and other sums evidenced by the Note and/or secured by this Mortgage and the other Loan Documents have been repaid in full. If Borrower takes or permits any such action without the prior written consent of Lender, Lender may, at its option and without limiting any other right or remedy available to Lender at law, in equity or by agreement with Borrower, accelerate the maturity of the Borrower's Obligations provided for in the Note and require the payment of the then existing outstanding principal balance and all other sums due under the Note and under this Mortgage. The giving of consent by Lender to the transfer or disposition of the Mortgaged Property in any one or more instances shall not limit or waive the need for such consent in any other or subsequent instance.

ARTICLE VI.  
PERSONAL PROPERTY SECURITY PROVISIONS

6.1 Security Interest. This Mortgage is also intended to encumber and create a security interest in, and Borrower hereby grants to Lender a security interest in, all portions of the Mortgaged Property constituting personal property and all other fixtures, chattel paper deposit accounts, equipment, goods, inventory, contract rights, documents, instruments, investment property, general intangibles, and all other personal property of every type or description owned by Borrower and used in connection with the Real Property, all renewals, replacements of any of the aforementioned items, or articles in substitution therefor or in addition thereto or the proceeds thereof, whether or not the same shall be attached or related to the Real Property in any manner (all such property being referred to collectively as the "Collateral"). Except as permitted under the Loan Agreement, all of the Collateral shall be owned by Borrower and no leasing or installment sales or other financing or title retention agreement in connection therewith shall be permitted without the prior written approval of Lender. Borrower shall, from time to time upon the request of Lender, supply Lender with a current inventory of all of the Collateral in which Lender is granted a security interest hereunder, in such detail as Lender may reasonably require. Borrower shall promptly replace all of the Collateral when worn or obsolete with an article comparable to the worn out or obsolete Collateral when new and will not, without the prior written consent of Lender, remove from the Property any of the Collateral subject to this Mortgage except such as is replaced by an article of equal suitability and value as above provided, owned by Borrower free and clear of any lien or security interest except that created by this Mortgage and the lien and security interests created by the Second Mortgage (as defined in the Loan Agreement).

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6.2 Security Agreement. This Mortgage constitutes a security agreement between Borrower and Lender with respect to the Collateral in which Lender is granted a security interest hereunder, and, cumulative of all other rights and remedies of Lender hereunder, Lender shall have all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code (the "UCC"). Borrower hereby agrees to execute and deliver on demand and, if appropriate, to file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Lender may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. Without limiting the generality of the foregoing, Borrower authorizes Lender to file a financing statement describing the Collateral without Borrower's signature as permitted under the UCC. Borrower shall have possession of the Collateral, except where expressly otherwise provided in this Mortgage or where Lender chooses to perfect its security interest by possession in addition to the filing of a financing statement. To the extent specifically provided herein, Lender shall have the right of possession of all cash, securities, instruments, negotiable instruments, documents, certificates and any other evidences of cash or other property or evidences of rights to cash rather than property, which are now or hereafter a part of the Collateral, and Borrower shall promptly deliver the same to Lender, endorsed to Lender, without further notice from Lender; provided, that Lender shall have no rights in, and the Collateral shall not include, the Borrower's rights to draw funds under the Second Mortgage and related loan documents. Where Collateral is in the possession of a third party, Borrower will join with Lender in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender. Borrower agrees to furnish Lender in writing with notice of any change in the name, identity, organizational structure, residence, or principal place of business or mailing address of Borrower thirty (30) days prior to the effective date of any such change.

6.3 UCC Remedies. Upon the occurrence of any Event of Default hereunder, Lender shall have the right to cause any of the Collateral to be sold at any one or more public or private sales as permitted by applicable law, and Lender shall further have all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law. Any such disposition may be conducted by an employee or agent of Lender. Any person, including both Borrower and Lender, shall be eligible to purchase any part or all of such property at any such disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall be borne by Borrower and shall include Lender's reasonable attorneys' fees and legal expenses. Borrower, upon demand of Lender, shall assemble such personal property and make it available to Lender at the Real Property, a place which is hereby deemed to be reasonably convenient to Lender and Borrower. Lender shall give Borrower at least five (5) days' prior written notice of the time and place of any public sale or other disposition of such property or of the time of or after which any private sale or any other intended disposition is to be made, and if such notice is sent to Borrower, as the same is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Borrower.

6.4 Parties. The name and principal place of business of Borrower, as "Debtor", and Lender, as "Secured Party", under the UCC are as set forth in the first paragraph of this Mortgage.

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ARTICLE VII.  
EVENTS OF DEFAULT

An Event of Default hereunder shall mean any "Event of Default" under the Loan Agreement.

ARTICLE VIII.  
REMEDIES

8.1 Remedies. Upon the occurrence of any Event of Default hereunder, Lender may, at its option, and without notice to or demand upon Borrower:

- (a) Declare any or all Obligations secured by this Mortgage to be due and payable immediately;
- (b) Enter onto the Mortgaged Property, in person or by agent or by court-appointed receiver, and take any and all steps which may be desirable in Lender's judgment to complete any unfinished construction and to manage and operate the Mortgaged Property and to collect any and all rents, issues and profits of the Mortgaged Property, and Lender may apply any rents, royalties, income or profits collected against the indebtedness secured by this Mortgage without in any way curing or waiving any default of the Borrower;
- (c) Bring a court action to foreclose this Mortgage or to enforce its provisions or any of the Obligations secured by this Mortgage;
- (d) Lender will be entitled to foreclose this Mortgage pursuant to the provisions of the Illinois Mortgage Foreclosure Act; and or
- (e) Exercise any other right or remedy available under law or in equity.

8.2 Statutory Rights and Waivers.

(a) Protective Advances. Without limitation on anything contained in this Mortgage, all advances, disbursements and expenditures made by Lender before and during a foreclosure, and before and after a judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15-1101 *et seq.* (the "Act"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act referred to below (collectively, "Protective Advances"):

- (i) all advances by Lender in accordance with the terms of this Mortgage to: (A) preserve or maintain, repair, restore or rebuild any improvements upon the Property; (B) preserve the lien of this Mortgage or the priority thereof; or (C) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5-1302 of the Act;

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(ii) payments by Lender of: (A) when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance on the Property; (B) when due installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Property or any part thereof; (C) other obligations authorized by this Mortgage; or (D) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 15-1505 of the Act;

(iii) advances by Lender in settlement or compromise of any claims asserted by claimants under senior mortgages or any prior liens;

(iv) attorneys' fees and other expenses incurred: (A) in connection with the foreclosure of this Mortgage as referred to in Section 15-1504(d)(2) and 15-1510 of the Act; (B) in connection with any action, suit or proceeding brought by or against Lender for the enforcement of this Mortgage or arising from the interest of Lender hereunder; or (C) in the preparation for the commencement or defense of any such foreclosure or other action;

(v) Lender's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Act;

(vi) expenses deductible from proceeds of sale as referred to in subsections (a) and (b) of Section 15-1512 of the Act;

(vii) expenses incurred and expenditures made by Lender for any one or more of the following: (A) if all or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (B) if any interest in the Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (C) premiums for casualty and liability insurance paid by Lender whether or not Lender or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining existing insurance in effect at the time any receiver or Lender takes possession of the Property as imposed by subsection (c)(1) of Section 15-1704 of the Act; (D) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (E) payments required or deemed by Lender to be for the benefit of the Property or required to be made by the owner of the Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Property; (F) shared or common expense assessments payable to any association or corporation in which the owner of the Property is a member if in any way affecting the Property; (G) costs incurred by Lender for demolition, preparation

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for and completion of construction; and (H) pursuant to any lease or other agreement, for occupancy of the Property.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the applicable rate set forth in the Loan Agreement. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to subsection (b)(1) of Section 15-1302 of the Act. All Protective Advances shall, except to the extent, if any, that any of the same are clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (A) determination of the amount of the Obligations secured by this Mortgage at any time; (B) the amount of the Obligations found due and owing to Lender in a judgment of foreclosure and any subsequent, supplemental judgments, orders, adjudications or findings by any court of any additional Obligations becoming due after such entry of judgment (it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose); (C) if right of redemption is deemed not to be waived by this Mortgage, computation of any amounts required to redeem, pursuant to Section 15-1522 of the Act; (D) determination of amounts deductible from sale proceeds pursuant to Section 15-1522 of the Act; (E) application of income in the hands of any receiver or Lender in possession; and (F) computation of any deficiency judgment pursuant to subsections (b)(2) and (e) of sections 15-1508 and Section 15-1511 of the Act.

(b) Waiver of Right of Redemption and Reinstatement. Without limiting the generality of Section 3.5(c) of this Mortgage, the waiver by Borrower of its rights of redemption and reinstatement in such Section, include the waiver of such rights as provided under 735 ILCS 5/15-1601 and 735 ILCS 5/15-1602.

(c) Business Loan Recital/Statutory Exemption.

(i) Borrower acknowledges and agrees that (A) the proceeds of the Loan will be used in conformance with subparagraph (1)(1) of Section 4 of "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," approved May 24, 1879, as amended (815 ILCS 105/4(1)(1)); (B) the Obligations secured hereby has been incurred by Borrower solely for business purposes of Borrower and for Borrower's investment or profit, as contemplated by said Section 4; (C) the Obligations secured hereby constitutes a loan secured by real estate within the purview of and as contemplated by said Section 4; and (D) the secured indebtedness hereunder is an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. Sec. 1601 *et. seq.* has been entered into solely for business purposes of Borrower and for Borrower's investment or profit, as contemplated by said section.

(ii) Without limiting the generality of anything contained herein, Borrower acknowledges and agrees that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as

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defined in 735 ILCS 5/15-1201 (1992)) or residential real estate (as defined in 735 5/15-1219 (1992)).

(d) Open-End Mortgage; Maximum Principal Amount. This Mortgage is an open-end mortgage, and shall secure the payment of any amounts advanced from time to time under the Loan Documents, or under other documents stating that such advances are secured hereby. The maximum amount of unpaid principal of the Obligations, exclusive of interest thereon, which may be outstanding at any time and secured hereby shall be 200% of the face amount of the Note. This Mortgage also secures any and all Obligations arising under or in connection with this Mortgage, which future Obligations shall have the same priority as if all such Obligations were made on the date of execution hereof. Nothing in this Section or in any other provision of this Mortgage shall be deemed an obligation on the part of Lender to make any future advances of any sort. At all times, regardless of whether any Loan proceeds have been disbursed, this Mortgage shall secure (in addition to any Loan proceeds disbursed from time to time) the payment of any and all expenses and advances due to or incurred by Lender in connection with the Obligations to be secured hereby and which are to be reimbursed by Borrower under the terms of this Mortgage; provided, however, that in no event shall the total amount of Loan proceeds disbursed plus such additional amounts exceed two hundred percent of the aggregate, original principal amounts of the Notes.

(e) Lender's Right to Possession. Upon an Event of Default, and subject to the requirements of 735 ILCS 5/1701(b)(2), Lender shall be entitled to be placed in possession of the Property and to exercise the rights and powers of a mortgagee in possession under the Act.

(f) Illinois Mortgage Foreclosure Act. It is the express intention of Lender and Borrower that the rights, remedies, powers and authorities conferred upon Lender pursuant to this Mortgage shall include all rights, remedies, powers and authorities that a Borrower may confer upon a Lender under the Act and/or as otherwise permitted by applicable law, as if they were expressly provided for herein. In the event that any provision in this Mortgage is deemed inconsistent with any provision in the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(g) Collateral Protection Act. Pursuant to the requirements of the Illinois Collateral Protection Act, Borrower is hereby notified as follows:

Unless the Borrower provides Lender with evidence of the insurance coverage required by this Mortgage, the Loan Agreement or any of the other Loan Documents, Lender may purchase insurance at Borrower's expense to protect Lender's interest in the Property or any other collateral for the Obligations. This insurance may, but need not protect Borrower's interests. The coverage Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property or any other collateral for the Obligations. Borrower may later cancel any insurance purchased by Lender but only after providing Lender with evidence that

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Borrower has obtained insurance as required by this Mortgage, the Loan Agreement or any of the other Loan Documents. If Lender purchases insurance for the Property or any other collateral for the Obligations, Borrower will be responsible for the costs of that insurance, including interest in any other charges that Lender may lawfully impose in connect 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 more than the cost of insurance that Borrower may be able to obtain on its own.

(h) Illinois Responsible Property Transfer Act. Borrower hereby represents and warrants to Lender that, to the best knowledge of Borrower, no portion of the Property is subject to the disclosure requirements of the Illinois Responsible Property Transfer Act of 1988, 765 ILCS 96/1 et seq., as supplemented, amended and restated from time to time ("IRPTA"). Borrower shall, and hereby agrees to indemnify Lender for, and to hold Lender harmless from and against, any and all claims, liability, expenses, losses or damages which may or might be asserted against or incurred by Lender, as the case may be, by reason of Borrower's failure to timely comply with IRPTA.

(i) Sealed Instrument. Borrower intends for this Mortgage to be executed and delivered by Borrower, and accepted by Lender, as a sealed instrument.

(j) Maturity Date. The maturity date of the Obligations secured hereby is no later than the anniversary of the date of this Mortgage.

8.3 Application of Proceeds. The proceeds of any sale under this Mortgage will be applied to the following in any order Lender chooses:

(a) Payment of the costs and expenses of the sale, including but not limited to legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Lender.

(b) Payment of all sums expended by Lender under the terms of this Mortgage and not yet repaid, together with interest on such sums at the Default Rate set forth in the Note, payable after maturity thereof.

(c) Payment of the Obligations of Borrower secured by this Mortgage in any order that Lender chooses.

(d) The remainder, if any, to the person or persons legally entitled to it.

8.4 Waivers by Borrower. Borrower waives all rights to direct the order in which any of the Mortgaged Property will be sold in the event of any sale under this Mortgage, and also any right to have any of the Mortgaged Property marshaled upon any sale.

8.5 No Waiver by Lender. All remedies contained in this Mortgage are cumulative, and Lender also has all other remedies provided by law or in any other agreement between Borrower and Lender. No delay or failure by Lender to exercise any right or remedy under this Mortgage will be construed to be a waiver of that right or remedy of any default by Borrower.

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Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

8.6 Enforcement Costs. Borrower will pay all of Lender's expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any lawsuit is filed, including but not limited to reasonable legal fees and disbursements, foreclosure costs and title charges.

8.7 Appraisal. Notwithstanding any contrary provision contained in any Loan Document, Borrower waives the benefit of all valuation and appraisal laws.

ARTICLE IX.  
MISCELLANEOUS

9.1 Fixture Filing. This Mortgage constitutes a financing statement filed as a Fixture Filing in the Official Records of the County Recorder of the county in which the Mortgaged Property is located with respect to any and all fixtures included within the term "Mortgaged Property" as used herein and with respect to any goods or other personal property that may now be or hereafter become such fixtures.

9.2 Invalidity. The invalidity or unenforceability of any one or more provisions of this Mortgage will in no way affect any other provisions of this Mortgage.

9.3 Statement of Status. Borrower agrees to pay Lender a reasonable charge, not to exceed the maximum allowed by law, for giving any statement of the status of the obligations secured by this Mortgage.

9.4 Notices. Unless otherwise provided by applicable law, all notices given under this Mortgage shall be given in accordance with Section 11.7 of the Loan Agreement. However, the service of any notice of default or notice of sale under this Mortgage as required by law will, if mailed, be effective on the date of mailing.

9.5 Actions by Lender. Without affecting Borrower's liability for the payment of any of the indebtedness secured by this Mortgage, Lender may from time to time and without notice to Borrower (a) release any person liable for the payment of that indebtedness, (b) accept additional real or personal property of any kind as security, or alter, substitute or release any property securing that indebtedness, or (c) consent to the making of any map or plot of the Mortgaged Property, or to reconvey any part of the Mortgaged Property, or to join in granting any easement or creating any restriction on the Mortgaged Property, or to join in any subordination or other agreement affecting this Mortgage.

9.6 Entry by Lender. Lender may at any reasonable time and subject to the rights of any tenant in possession of any portion of the Mortgaged Property, enter upon and inspect the Mortgaged Property in person or by agent.

9.7 Reconveyance. Upon the payment in full of all Obligations secured by this Mortgage, Lender agrees to release the Mortgaged Property without warranty to the person or persons legally entitled to it. Such person or persons must pay all costs of release.

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9.8 Statute of Limitations. Borrower waives all present and future statutes of limitations as a defense to any action to enforce the provisions of this Mortgage or to collect any indebtedness secured by this Mortgage to the fullest extent permitted by law.

9.9 Definitions. The term "Borrower" includes both the original Borrower and any subsequent owner or owners of any of the Mortgaged Property and/or any successor-in-interest of Borrower under the Loan, and the term "Lender" includes the original Lender and also any future owner or holder, including pledges and participants, of the Note or any interest therein. Whenever the context requires, the singular includes the plural and vice versa and each gender includes each other gender. The headings of the articles of this Mortgage are for convenience only and do not limit its provisions.

9.10 No Waiver. Lender's consent to any act or omission by Borrower will not be a consent to any other or subsequent act or omission or a waiver of the need for such consent in any future or other instance.

9.11 Successors and Assigns. The terms of this Mortgage will bind and benefit the heirs, legal representatives, successors and assigns of Borrower and Lender. If Borrower consists of more than one person or entity, each will be jointly and severally liable to perform the obligations of Borrower.

9.12 Governing Law. The validity, construction, and enforcement of this Mortgage shall be governed by, and construed in accordance with, the internal laws of the State of Illinois applicable to contracts made and to be performed in such state (without regard to principles of conflicts of laws).

9.13 Limitation on Recourse. The obligations of Borrower under this Agreement are subject to the limitations on recourse contained in Section 17 of the Note, which provisions are incorporated herein by reference.

-----Signatures on Next Page-----

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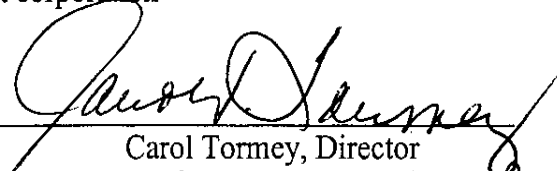
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IN WITNESS WHEREOF, Borrower has executed this Mortgage the day and year first hereinabove written.

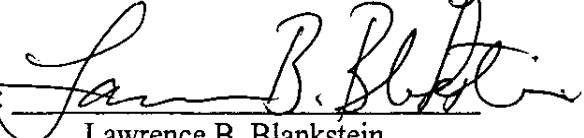
BORROWER:

THE MENOMONEE CLUB, an Illinois not-for-profit corporation

By:

  
Carol Tormey, Director

And By:

  
Lawrence B. Blankstein,  
Vice President

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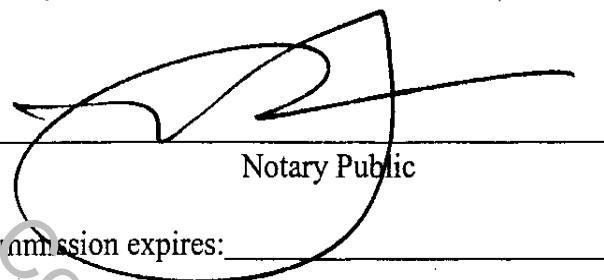
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ACKNOWLEDGMENT

STATE OF ILLINOIS )  
 ) SS:  
COUNTY OF COOK )

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Lawrence B. Blankstein, personally known to me to be the Vice President of THE MENOMONEE CLUB, an Illinois not-for-profit corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President, he/she signed and delivered the said instrument, as his/her free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 10<sup>th</sup> day of July, 2001.

  
\_\_\_\_\_  
Notary Public  
Commission expires: \_\_\_\_\_

(SEAL)



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OFFICIAL COPY  
Lawrence M. Freedman  
Notary Public, State of Illinois  
My Commission Expires 8-18-01

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## ACKNOWLEDGMENT

STATE OF ILLINOIS        )  
                                  )  
COUNTY OF COOK        )        SS:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Carol Tormey, personally known to me to be a Director of THE MENOMONEE CLUB, an Illinois not-for-profit corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Director, he/she signed and delivered the said instrument, as his/her free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 16<sup>th</sup> day of July, 2001.

  
\_\_\_\_\_  
Notary Public  
Commission expires: \_\_\_\_\_

(SEAL)



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OFFICIAL  
Lawrence M. ...  
Notary Public State of ...  
My Commission Expires ...

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## EXHIBIT A

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### Legal Description

LOTS 3 (EXCEPT THE NORTH 0.64 FEET), 6, 7, 10, 11, 14, 15, 18, 19, 22, 23, 26, 27, AND 30 IN BLOCK 43 IN JOHN A. YALES SECOND RESUBDIVISION OF BLOCK 43 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN NOS.    17-05-215-002  
                  17-05-215-003  
                  17-05-215-004  
                  17-05-215-005  
                  17-05-215-006  
                  17-05-215-007

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