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MORTGAGE AND SECURITY AGREEMENT

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2000-03-09 12:12:30
Cook County Recorder 73.50



THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") made this 7th day of February, 2000, between **STEVEN D. APPLE, MARGIE G. APPLE* AND BRIAN FROMMELT*** 4933 W. Oakton Street Skokie, Illinois 60602 ("Mortgagor") and **MICHAEL SVIGOS,** and **JOHN SVIGOS,** whose address is 2626 W Devon, Chicago, Illinois, 60076 ("Mortgagee").

**COOK COUNTY RECORDER
EUGENE "GENE" MOORE
ROLLING MEADOWS**

*HUSBAND AND WIFE
** A SINGLE MAN

W I T N E S S E T H:

WHEREAS, Mortgagors justly indebted to Mortgagee as evidenced by a Secured Installment Note (the "Note") of even date herewith executed by Mortgagor and payable to the order of and delivered to Mortgagee in the principal amount of ONE HUNDRED FIFTY FIVE THOUSAND AND NO/100 DOLLARS (\$,155,000.00), whereby Mortgagor promises to pay said principal amount, or so much thereof as may be advanced by the holder or holders of the Note from time to time set forth therein, in installments as therein provided at the office of Mortgagee, or at such other place as may be designated in writing by the legal holder or holders thereof, until February 28, 2004 (the "Maturity Date") at which time the principal sum secured thereby and all accrued interest thereon shall immediately become due and payable.

NOW, THEREFORE, Mortgagor, to secure the payment of all principal and interest due under the Note and the performance of all covenants and agreements (and the accuracy of all representations and warranties) contained in this Mortgage and in any other instrument securing the Note or executed and delivered in connection with the indebtedness represented by the Note (the Note, the Mortgage and any other instrument securing the Note or executed and delivered in connection with the indebtedness represented by the Note hereinafter referred to, collectively, as the "Loan Documents"), does hereby Mortgage and Warrant unto Mortgagee, its successors and assigns forever, the real estate described on Exhibit A attached hereto and all of its estate, right, title and interest therein (the "Real Estate") situated, lying and being in the Village of Skokie, County of Cook and State of Illinois, together with all of Mortgagor's right, title and interest in and to the following described property (which property, together with the Real Estate, is collectively referred to as the "Premises"), to wit:

(1) any after-acquired title or reversion in and to the beds of any vaults, streets, avenues, alleys and other passage ways adjoining the Real Estate;

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(2) all appurtenances, tenements and hereditaments, all gas, oil and mineral rights and privileges, all riparian, irrigation and drainage rights and privileges and all other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof, relating to or benefiting the Real Estate;

(3) all of Mortgagor's interest and rights as lessor in and to all leases now or hereafter affecting the Premises or any part thereof and all rents, issues, proceeds and profits accruing and to accrue from the Premises, whether payable pursuant to any present or future lease or otherwise growing out of any occupancy or use of the Premises (which are pledged primarily and on a parity with the Real Estate and not secondarily);

(4) all proceeds or sums payable in lieu of or as compensation for the loss of or damage to the Premises, all rights in and to all present and future fire and other hazard insurance policies pertaining to the Premises, any and all monies or other assets (including prepaid insurance policies) at any time on deposit with Mortgagee or a depository designated by Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage and all awards paid or to be paid in connection with or in lieu of any condemnation, eminent domain, change of grade or similar proceeding for the taking or for the degradation in the value of all or any part of the Premises,

(5) all buildings and improvements of every kind and description now or hereafter erected or placed on the Real Estate and all materials intended for the construction, reconstruction, alteration and repair of any such buildings and improvements, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the Premises; and

(6) all fixtures and personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Premises including, but not limited to, heating, cooling, ventilating, communication and security equipment, pipes, pumps, tanks, sprinklers and other plumbing equipment and fixtures, lighting, wires, conduit and other electrical equipment and fixtures, boilers, ranges, furnaces, oil burners and units thereof, vacuum cleaning systems, elevators, escalators, engines, motors and other mechanical equipment and fixtures, awnings, screens, storm doors, windows and window treatments, stoves, refrigerators and other appliances and equipment, partitions, mantels, cabinets and other millwork, rugs, carpets, and other floor coverings, furniture and furnishings used in the operations of the Premises and all additions thereto and renewals or replacements

thereof or articles in substitution therefor, whether or not the same are or shall be attached to any building or buildings in any manner, it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the Premises and for the purpose of this Mortgage to be real estate and covered by this Mortgage; provided, however, that the provisions of this paragraph shall not apply or attach to the trade fixtures or personal property of any tenant on the Premises;

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois which rights and benefits the Mortgagor does hereby expressly waive and release.

MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Payment of Principal and Interest. Mortgagor shall promptly pay when due all indebtedness, including principal and interest, under the Note and shall duly and promptly perform and observe all of the terms, provisions, covenants and agreements on the Mortgagor's part to be performed or observed under the Loan Documents.

2. Tax and Insurance Deposits. Mortgagor shall deposit with Mortgagee, or a depository designated by Mortgagee, concurrently with and in addition to the monthly installments of principal and interest due under the Note until the indebtedness evidenced by the Note is paid, the following: (i) a sum equal to all real estate taxes and assessments next due on the Premises (as estimated from time to time by Mortgagee in its reasonable discretion) divided by the number of months to elapse for which deposits will be made hereunder to and including the month next preceding the month when such taxes will become due and payable and (ii) a sum equal to the amount of the premium or premiums that will next become due and payable to replace or renew the insurance policies required to be maintained by Mortgagor under this Mortgage (as estimated from time to time by Mortgagee in its reasonable discretion) divided by the number of months to elapse for which deposits will be made hereunder to and including the month next preceding the expiration date of the policy or policies to be replaced or renewed. All such payments described in this Section shall be held by Mortgagee or by the depository designated by Mortgagee in trust without accruing or without any obligation arising for the payment of interest. If the funds so deposited are insufficient to pay, when due, all taxes and premiums as aforesaid, Mortgagor shall, within ten (10) days after written demand therefor from Mortgagee, deposit such additional funds as may be necessary to pay such taxes and premiums. If the funds so deposited exceed the amount required to pay such taxes and premiums, the excess shall be credited against the deposit or deposits next due hereunder.

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Depts. etc

Neither Mortgagee nor the depositary shall be liable for any failure to make any payments of taxes or premiums unless Mortgagor shall have supplied on a timely basis to Mortgagee or to the depositary the bill or bills for such taxes or insurance premiums; provided, however, that Mortgagee may at its option make or cause the depositary to make any such application of the aforesaid deposits without any direction or request to do same by Mortgagor. Upon execution of this Mortgage, in addition to any other sums which Mortgagor shall be required to deposit with Mortgagee, Mortgagor under this Section 2 shall deposit into such escrow an amount equal to three (3) months of real estate taxes. Mortgagee, by written notice to Mortgagor, may suspend and later reinstate, in whole or in part, the application of this Section as often as it may determine.

3. Taxes and Other Charges. Mortgagor shall promptly pay, when due and before the imposition of any penalty, all general taxes, special taxes, special assessments, water charges, sewer service charges, association charges and all other charges of whatever kind, whether ordinary or extraordinary or public or private, which may be assessed, levied or imposed against the Premises and shall furnish to Mortgagee official receipts therefor within ten (10) days after payment thereof; provided, however, that if an event of default hereunder has occurred and Mortgagee has not suspended the monthly deposits for taxes required under this Mortgage, Mortgagee may, at its option, either make such deposits available to Mortgagor for the payments required under this Section or make such payments on behalf of Mortgagor. Mortgagor shall also pay, when due and before the imposition of any penalty, all charges incurred for utility service and scavenger service to the Premises whether or not such charges are or will become liens against the Premises.

4. Insurance. Mortgagor, at its expense, shall obtain and maintain insurance coverage against such risks and in such amounts as Mortgagee shall from time to time request and, in the absence of a contrary request from Mortgagor, shall obtain and maintain the following coverage:

(a) Casualty. An "all-risk" casualty insurance policy with a replacement cost endorsement covering the improvements now existing or hereafter erected on the Real Estate to their full replacement value but, in no event, less than the principal balance outstanding under the Note and this Mortgage.

(b) Liability. A comprehensive general liability insurance policy with a combined single limit of liability of not less than One Million and No/100 Dollars (\$1,000,000.00);

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(c) Business Interruption. A business interruption or, with respect to any portion of the Premises that is leased, a rental value insurance policy in an amount sufficient to pay, for a period of at least twelve (12) months, (i) all amounts due or becoming due under the Note, (ii) all monthly deposits of real estate taxes, assessment and insurance premiums due or becoming due under this Mortgage and (iii) all utility charges due or becoming due for service to the Premises;

(d) Boiler and Machinery. A broad form boiler and machinery insurance policy with a replacement cost endorsement covering all equipment and machinery on the Real Estate customarily covered by such insurance to their full replacement value; and

(e) Flood. A flood insurance policy, in accordance with the provisions of the Flood Disaster Protection Act of 1973, as amended, if the area in which the Premises is located is designated as "flood prone" or as a "flood risk area", as defined in said Act, in an amount, if obtainable, of not less than the principal balance outstanding under the Note and this Mortgage.

All policies of insurance required to be obtained and maintained under this Mortgage shall be in a form and with companies reasonably acceptable to the Mortgagee, shall contain a waiver by the insurer of its right of subrogation, if any, against Mortgagee, shall contain an endorsement which, in substance, provides that no act of negligence on the part of the insured or any occupant of the Premises, and no occupancy or use of the Premises for any purpose more hazardous than that permitted by the terms of such policy, will affect the validity or enforceability of such insurance as against the Mortgagee and, on any liability risk policy, shall name Mortgagee as an additional insured and, on all other policies, shall have a noncontributing mortgage endorsement in favor of and entitling the Mortgagee alone to collect any and all of the proceeds payable under such insurance. All such policies of insurance shall also require written notice from the insurer to the Mortgagee at least twenty (20) days prior to the expiration, cancellation or termination of any such policies. Mortgagor shall pay promptly, when due, any premiums on any insurance required to be maintained under this Mortgage and shall furnish to Mortgagee receipts evidencing payment of such premiums within ten (10) days of any such due date; provided, however, that if an event of default has occurred and if the Mortgagee has not suspended the monthly deposits for insurance required under this Mortgage, Mortgagee, at its option, may either make such deposits available to Mortgagor for the payments required under this Section or make such payments on behalf of Mortgagor. All policies of insurance required to be maintained by Mortgagor under this Mortgage, together with evidence that the premiums therefor covering a period of not less than one (1) year have been paid, shall be deposited

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with Mortgagee and, not less than thirty (30) days prior to the expiration of any such policy, Mortgagor shall deposit an appropriate renewal or replacement policy and evidence of the premium payment therefor as aforesaid. In the event Mortgagee, in its reasonable discretion, determines that any insurance provided by Mortgagor does not comply with the insurance requirements set forth herein, then Mortgagee may, at any time and at its own discretion, procure and substitute for any and all of the policies of insurance deposited as aforesaid such other policy or policies of insurance, in such amount and carried with such company as it may determine, and the cost therefor shall be repaid to Mortgagee by Mortgagor upon demand. Mortgagor shall furnish to Mortgagee, upon request, estimates or appraisals of insurable value, without cost to Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building or buildings and improvements on the Real Estate. Mortgagor shall not carry separate insurance concurrent in kind or form, and contributing in the event of any loss, with any insurance required hereunder.

5. Application of Insurance Proceeds. In the event of any loss or damage to the Premises covered by insurance carried by Mortgagor or required under this Mortgage, Mortgagor shall immediately notify Mortgagee in writing and, if the aggregate claims are less than \$25,000, Mortgagor shall have the right to adjust and compromise all claims under all such policies of insurance and, if the aggregate claims equal or exceed \$25,000, Mortgagee and Mortgagor jointly shall have the right to adjust and compromise all claims under all such policies of insurance. Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss, whether settled by Mortgagor or by Mortgagee, directly and solely to Mortgagee (who may, but need not, make proof of loss) and Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers and releases required by each insurance company for such payment. After deducting from any payment received the reasonable expenses incurred by Mortgagee in collecting or handling such insurance proceeds, Mortgagee may use or apply the proceeds, at its option, either (i) as a credit upon all or any portion of the indebtedness secured by this Mortgage, (ii) to repairing and restoring the improvements on the Real Estate (in which event Mortgagee shall not be responsible for the proper application thereof nor shall the amount so applied be deemed a payment on the indebtedness secured by this Mortgage) or (iii) by delivering same to Mortgagor. In the event Mortgagee shall elect to apply such proceeds to repairing or restoring the improvements on the Real Estate such proceeds shall be made available, from time to time, to Mortgagor after first providing to Mortgagee, and subject to its approval, satisfactory evidence of the estimated cost of such repair and restoration and such architect's certificates, owner's sworn statements, contractors' sworn statements and affidavits, waivers of lien and other evidence of cost,

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payment and completion as Mortgagee may reasonably require. If the estimated cost of the work to repair or restore the improvements on the Real Estate exceeds ten percent (10%) of the original principal amount of the indebtedness secured by this Mortgage, then Mortgagor shall furnish Mortgagee (for and subject to its approval) all plans and specifications for such rebuilding or restoration and no payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed, from time to time, and at all times the undisbursed balance of any insurance proceeds retained by Mortgagee shall be at least sufficient to pay for the cost of completing the work free and clear of any liens or encumbrances. No interest shall be allowed to Mortgagor on any proceeds of insurance paid to and held by Mortgagee. In the event of the foreclosure of this Mortgage, or any other transfer of title to the Premises in extinguishment of the indebtedness secured by this Mortgage, all right, title and interest of Mortgagor in and to any insurance policies then in force and any claims or proceeds thereunder shall pass to Mortgagee or any purchaser or grantee of the Premises.

6. General Covenants

Mortgagor shall (i) keep and maintain the Premises and every part thereof in good repair and condition making such repairs and replacements as may from time to time be necessary or appropriate to keep the Premises in at least as good condition as that existing on the date of this Mortgage, (ii) to the extent that proceeds of insurance are available and Mortgagee allows the proceeds to be disbursed to Mortgagor, promptly repair, restore or replace any improvements now or hereafter on the Real Estate which may be or become damaged or destroyed through ordinary wear and tear or by fire or other casualty to at least as good condition as that existing immediately prior to such damage or destruction, (iii) complete, within a reasonable period of time, any improvements now or, with the consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, hereafter in the process of being constructed on the Real Estate, (iv) to the extent that proceeds of insurance are available and Mortgagee allows the proceeds to be disbursed to Mortgagor, repair, restore or replace any fixtures and personal property now or hereafter on the Real Estate which may be or become damaged or destroyed to a condition or with items at least equal to those repaired, restored or replaced and, if subject to the lien of this Mortgage, free of any security interest therein, encumbrance thereon or reservation of title thereto, (v) comply with all laws, ordinances, regulations and orders of any federal, state, county or municipal authority and with any restriction or requirement contained in any recorded instrument relating to the Premises or to the use thereof, (vi) comply with any conditions and requirements necessary to maintain the insurance required under this Mortgage, (vii) maintain any and all rights, licenses, permits, privileges, franchises or concessions,

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whether public or private, which are or become applicable to the Premises or which are granted to Mortgagor in connection with any existing or planned improvement or use of the Premises, (viii) not erect, demolish, remove or after any improvement on the Real Estate except as may be required by law or as may be necessary for any repairs or

replacements expressly required under this Mortgage without the written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, (ix) not remove, sever, sell or

mortgage any fixtures or personal property of Mortgagor on the Real Estate except as may be required by law or in the ordinary course of business without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, (x) not permit, suffer or commit any waste, impairment or deterioration of the Premises or any part thereof, (xi) not permit or conduct either the generation, treatment, storage or disposal of hazardous waste, as defined in the Resource Conservation and Recovery Act, or the disposal on the Premises of petroleum or any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act, and shall perform all remedial actions necessary as the result of the presence of any such hazardous wastes, petroleum or hazardous substances on, at or near the Premises, regardless of by whom caused, (xii) not abandon or vacate the Premises or suffer or permit the Premises to be abandoned, (xiii) not use or suffer or permit the use of the Premises for a purpose other than that for which it is used on the date of this Mortgage except as may be required by law without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, (xiv) not cause, suffer or permit the Premises to be or become subject to any covenants or restrictions not existing on the date of this Mortgage or initiate, suffer or permit any change in any existing covenant, restriction, zoning ordinance or other private or public restriction impacting upon the uses which may be made of, or the improvements which may be placed upon, the Premises and shall promptly notify Mortgagee of and appear in and defend, at its sole cost and expense, any proceeding to impose or change any such covenants and restrictions, (xv) not subdivide the Premises or subject the Premises to the provisions of the condominium laws of the state in which the Premises are located, and (xvi) not permit the Debt Service Ratio to be less than 1.25 to 1.0 at any time during the term hereof. The term "Debt Service Ratio" shall mean rental income less normal operating expenses (e.g. heat, electric, gas, maintenance and real estate taxes) equals cash flow available to pay the Mortgage payments of principal and interest divided by the annual Mortgage payment.

7. Liens and Encumbrances.

Mortgagor shall keep the Premises free and clear of liens by mechanics and materialmen and free and clear of all other liens,

charges and encumbrances excepting, however, any lien or encumbrance consented to in writing by Mortgagee and excepting the lien of real estate taxes not yet due and payable. Mortgagor shall promptly pay and discharge any lien or encumbrance attaching to the Premises and not permitted under this Section or deposit with Mortgagee a bond or other security satisfactory to Mortgagee and sufficient to protect Mortgagee against any loss or damage arising out of such lien or encumbrance upon receiving notice thereof and shall pay when due or diligently contest any indebtedness or other charge secured by any lien or encumbrance permitted under this Section. Mortgagor shall observe and perform all covenants and obligations required to be observed or performed by Mortgagor under any document creating or evidencing any lien or encumbrance permitted by this Section and any failure of Mortgagor to observe or perform any such covenant or obligation shall be a default by Mortgagor under this Mortgage. Upon request by Mortgagee, Mortgagor shall deliver to Mortgagee satisfactory evidence of any payment or payments required under this Section.

8. Transfer of Ownership.

If there shall occur or Mortgagor shall make or permit or contract to make or permit, whether voluntary, involuntary, by operation of law or otherwise, any sale, assignment, transfer, encumbrance or lease of the Premises, or any portion thereof or interest; therein or any interest in or under any trust or other entity which holds title to the Premises, Mortgagee, at its option and upon notice to Mortgagor, may declare all indebtedness secured by this Mortgage immediately due and payable and, in the absence of immediate payment thereof by Mortgagor, may pursue any and all rights and remedies available to Mortgagee under this Mortgage in the event of a default by Mortgagor.

9. Additional Taxes.

If, at any time, the federal or any state or local government, or any of their subdivisions, shall levy, assess or impose any documentary, interest equalization or other tax, assessment or charge on this Mortgage or on the indebtedness secured by this Mortgage, or shall impose upon Mortgagee any tax, assessment, charge or lien required, on the date of this Mortgage, to be paid by Mortgagor (either by deducting from the value of the Premises, or any part thereof, for the purposes of taxation any lien or encumbrance thereon or changing in any way the laws relating to the taxation of Mortgagor's interest in the Premises), Mortgagor shall, upon demand by Mortgagee, promptly pay or reimburse Mortgagee for the payment of such tax, assessment, charge or lien and deliver evidence of such payment to Mortgagee; provided, however, that

if in the opinion of counsel for Mortgagee (i) it might be unlawful to require Mortgagor to make such payment or (ii) making of such payment might be deemed to be the payment of interest beyond the maximum amount permitted by law, then at the option of Mortgagee and upon notice to Mortgagor, Mortgagee may declare all indebtedness secured by this Mortgage immediately due and payable and, in the absence of immediate payment thereof by Mortgagor, Mortgagee may pursue any and all rights and remedies available to Mortgagee under this Mortgage in the event of a default by Mortgagor. Notwithstanding the foregoing, Mortgagor shall not be obligated to pay any portion of Mortgagee's federal, state or local income tax or any other tax based upon the net income of Mortgagee.

10. Mortgagee's Performance of Defaulted Acts. In the event of a default by Mortgagor of its obligations under this Mortgage, Mortgagee may, but need not, make any payment or perform any act required of Mortgagor under the Note or under this Mortgage in any form and in any manner deemed expedient by Mortgagee. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not, make full or partial payment or payments of principal or interest on prior encumbrances, if any, purchase, discharge, compromise or settle any tax lien or other prior or junior lien, claim, title or other charge, redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. All monies paid for any purpose authorized in this Section and all expenses paid or incurred in connection therewith, including reasonably attorneys' fees, and any other monies advanced by Mortgagee to protect the Premises and the lien hereof plus reasonable compensation to Mortgagee for each matter concerning which action herein authorized is taken, shall be additional indebtedness secured by this Mortgage and shall be immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the rate applicable under the Note after an Event of Default thereunder. Inaction by Mortgagee shall never be considered as a waiver of any right accruing to Mortgagee under this Section on account of any default of Mortgagor under this Mortgage.

11. Eminent Domain. Mortgagor shall give Mortgagee immediate notice of any actual or threatened commencement of any condemnation or eminent domain proceeding affecting all or any portion of the Premises, including any proceeding for severance or consequential damages and any proceeding to change the grade of any street abutting the Premises, and shall deliver to Mortgagee copies of any and all papers and reports served upon or received by Mortgagor in connection with any such proceeding. Mortgagor hereby authorizes Mortgagee to intervene in any such proceeding and to collect and receive any and all awards and other compensation to be paid to Mortgagor under or as a result of any such proceeding; provided, however, that Mortgagor shall have the right to participate jointly with Mortgagee in any such proceeding. Mortgagor

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shall execute and deliver to Mortgagee, at any time or times upon request, free and clear of any claim or encumbrance, any and all agreements and instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning to Mortgagee all awards and other compensation to be made to Mortgagor under or as a result of any such proceeding. The proceeds of any award or other compensation paid to Mortgagee may be applied by Mortgagee, at its option after the payment of all of its expenses in connection with such proceeding, including costs and attorneys' fees, to the reduction of the indebtedness secured by this Mortgage or to the restoration of the improvements on the Real Estate, in which event the proceeds shall be paid out in the same manner and subject to the same requirements as are applicable to the payment of insurance proceeds. No interest shall be allowed to Mortgagor on any award or other compensation paid to or held by Mortgagee.

12. Acknowledgement of Debt. Mortgagor shall execute and deliver to Mortgagee, from time to time upon request by Mortgagee, a written statement, duly acknowledged, verifying the total unpaid indebtedness secured by this Mortgage and disclosing whether any alleged offsets or defenses exist against such indebtedness.

13. Rents and Leases.

(a) Approval of Leases. Mortgagee shall have the right to approve all leases covering space in the Premises, including the form and content of each such lease and the tenant or tenants thereunder, and, without limiting the generality of the foregoing, Mortgagor shall not, without Mortgagee's prior written consent, (i) enter into any lease or permit any tenancy of all or any portion of the Premises, (ii) execute an assignment or pledge of any rents from the Premises or of any lease or tenancy of all or any portion of the Premises (except as security for the indebtedness secured by this Mortgage), (iii) accept an installment of rent more than thirty (30) days before the due date of any such installment, (iv) agree to any amendment to or change in the terms of any lease or tenancy previously approved by Mortgagee or (v) permit or consent to any assignment of any lease or tenancy or any sublease of any lease or tenancy of all or any portion of the Premises.

(b) Obligations of Mortgagor. Except for (x) extensions of the terms of any leases with respect to the Premises, (y) increases in the amount of rent to be paid by tenants under any leases with respect to the Premises, and (z) non-material amendments, supplements, modifications, changes or alterations in the ordinary course of business to any leases with respect to the Premises, Mortgagor shall (i) at all times promptly and faithfully keep and perform all of the covenants, conditions and agreements on the part of landlord to be kept and performed under all leases and tenancies

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covering the Premises, (ii) enforce or secure the performance of all of the covenants, conditions and agreements on the part of the tenants to be kept and performed under such leases and tenancies, (iii) appear in and defend any action or proceeding arising out of or in any manner connected with such leases and tenancies or the rights and obligations of landlord or tenants thereunder, (iv) execute and deliver to Mortgagee, upon request, any and all documents and instruments deemed necessary by Mortgagee to transfer and assign to Mortgagee any lease and all rents and rights thereunder and under any tenancy covering all or any portion of the Premises, (v) furnish to Mortgagee, upon request, a written statement containing the names of all lessees and the terms of all leases and tenancies, including the spaces occupied and the rentals payable thereunder, and (vi) exercise, within five (5) days of any demand therefor by Mortgagee, any right to request from any tenant under any lease a certificate with respect to the status thereof in a form set forth under the applicable lease and otherwise as requested by Mortgagee.

(c) Exoneration of Mortgagee. Nothing in this Mortgage or in any other documents relating to the indebtedness secured by this Mortgage shall be construed to obligate Mortgagee, expressly or by implication, to keep or perform any of the covenants and agreements on the part of the landlord to be kept and performed under leases and tenancies covering all or any portion of the Premises or to pay any sum of money or damages to be paid by the landlord or landlord's assignee under such leases and tenancies, all of which covenants, agreements and payments shall be kept, performed and paid by Mortgagor.

(d) Attornment. In the event of a default by Mortgagor and enforcement by Mortgagee of the remedies provided by law or by this Mortgage, the tenant under each lease and tenancy covering all or any portion of the Premises shall, at the option of Mortgagee and upon delivery of a notice from Mortgagee to such tenant, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as landlord under such lease or tenancy without any change in the terms or other provisions thereof; provided, however, that said successor-in-interest shall not be bound by any payments made or deemed to have been made by any tenant more than thirty (30) days in advance of the due date of any such payments or by any amendment or modification to any lease or tenancy made without the prior consent of Mortgagee or said successor-in-interest. Each tenant, upon request by Mortgagee or any such successor-in-interest, shall execute and deliver an instrument or instruments confirming such attornment and Mortgagor shall cause each lease covering all or any portion of the Premises to contain a covenant on the part of the tenant evidencing its agreement to such attornment.

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(e) Declaration of Subordination. At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to the priority of entitlement to insurance proceeds or to any award or other compensation paid in any condemnation proceeding) to any and all leases and tenancies of all or any portion of the Premises upon execution by Mortgagee of a unilateral declaration subordinating this Mortgage to such leases and tenancies and the recording thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county in which the Premises are located.

(f) Inspection of Books and Records. In the event that all or any portion of the Premises are leased or available for lease, Mortgagor shall, during any such period, keep and maintain complete and accurate books and records showing, in a manner satisfactory to Mortgagee, all income and expenses of the Premises and shall, upon request by Mortgagee, allow Mortgagee to examine such books and records and all supporting documentation at the principal office of Mortgagor or at such other location as may be mutually agreed upon.

14. Security Agreement. This Mortgage shall also constitute a Security Agreement, as that term is used in the Uniform Commercial Code (the "Code") of the state in which the Premises are located, with respect to any portion of the Premises which is now or hereafter deemed to be personal property, fixtures or property other than real estate and all replacements, additions and substitutions thereto (the "UCC Collateral"). All of Mortgagor's right, title and interest in and to the UCC Collateral is hereby assigned to Mortgagee to secure the payment of the indebtedness secured by and the performance of the obligations contained in this Mortgage. Mortgagee shall have, in addition to the rights and remedies granted to Mortgagee under this Mortgage, all of the rights and remedies of a secured party under the Code with respect to the UCC Collateral and Mortgagor hereby agrees that in the event Mortgagee shall exercise any right or remedy under the Code following a default by Mortgagor under this Mortgage, whether to dispose of the Collateral or otherwise, five (5) days notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Code requiring such notice. Mortgagor shall, immediately upon request by Mortgagee, execute and deliver to Mortgagee, in a form prescribed by Mortgagee, any financing statement, continuation statement, certificate or other document covering all or any portion of the UCC Collateral designated by Mortgagee that, in the opinion of Mortgagee, may be required to perfect, continue, affirm or otherwise maintain the existence and priority of the security interest in the UCC Collateral created under this Mortgage. Mortgagor, if requested by Mortgagee, shall also execute and deliver to Mortgagee a Security Agreement covering the UCC Collateral and containing such covenants,

conditions and agreements in addition or as a supplement to those contained in this Mortgage as may be requested by Mortgagee.

15. Inspection of Premises. Mortgagor hereby grants to Mortgagee and its agents the right to inspect the Premises at all reasonable times and shall permit access thereto for such purpose.

16. Future Advances. If, at any time prior to the payment in full of the indebtedness secured by this Mortgage, Mortgagee shall advance additional funds to or for the benefit of Mortgagor, such advance together with applicable interest thereon shall be secured by this Mortgage in accordance with all covenants, conditions and agreements herein contained and, to the extent permitted by law, shall be on a parity with and not subordinate to the indebtedness evidenced by the Note; provided, however, that the indebtedness secured by this Mortgage and from time to time remaining unpaid shall not, after including the amount of all such advances, exceed ten (10) times the original principal indebtedness secured by this Mortgage.

17. Indemnification and Reimbursement of Expenses. Mortgagor shall hold harmless and indemnify Mortgagee from and against any loss, cost, damage, liability or expense, including reasonable attorneys' fees, arising out of any suit or proceeding or threat thereof in which Mortgagee is made a party or becomes involved (a) because of any damage or destruction to persons or property on or about the Premises, (b) because of the violation or enforcement of any law, ordinance, private right or restriction applicable to the Premises or the operation thereof or (c) to protect the lien or priority of this Mortgage and any loss, cost, damage or expense so incurred or incurred by Mortgagee in connection with (i) protecting or enforcing any of Mortgagee's rights under this Mortgage or (ii) recovering any indebtedness secured by this Mortgage shall be additional indebtedness secured by this Mortgage and shall be immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the rate applicable under the Note after Event of Default thereunder.

18. Remedies on Default.

(a) Events of Default. It shall be an event of default under this Mortgage when and if (i) a default occurs in the payment of any installment of principal or interest when due under the Note or the payment of any other indebtedness when due under any of the Loan Documents and such default remains uncured for a period of fifteen (15) days after notice from the Mortgagee to the Mortgagor given in accordance with the terms hereof, (ii) a default occurs in the observance or performance of any other covenant, requirement or condition in the Note or in any of the Loan Documents and such default remains uncured for a period of thirty (30) days after notice from the

Mortgagee to the Mortgagor given in accordance with the terms hereof, (iii) Mortgagee shall discover any misrepresentation or breach or inaccuracy in any representation or warranty contained in this Mortgage or in any of the Loan Documents and such misrepresentation or breach or inaccuracy remains uncured for a period of thirty (30) days after notice from the Mortgagee to the Mortgagor given in accordance with the terms hereof, (iv) the Mortgagor or any guarantor of the indebtedness secured by this Mortgage becomes insolvent, admits in writing its inability to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee or custodian for any of its assets or files a petition for relief under or files an answer admitting the material allegations of a petition filed against it under any federal or state bankruptcy law or similar law for the relief of debtors or (v) a petition in bankruptcy or other insolvency proceeding is filed against the Mortgagor or any guarantor of the indebtedness secured by this Mortgage or an order is entered by any court of competent jurisdiction appointing a receiver, trustee or custodian for the assets of Mortgagor or any guarantor of the indebtedness secured by this Mortgage and such petition, proceeding or order is not dismissed, vacated or stayed within sixty (60) days from the date of filing or entry or, (vi) the occurrence of a default under any loan, indebtedness or other liability owed by Mortgagor, as Trustee under a Trust Agreement dated April 3, 1998, and known as Trust No. 124003-05, or Boris Tekansky to Michael Svigos.

(b) Remedies. Without limiting other rights granted to Mortgagee under this Mortgage, upon the occurrence of an event of default under this Mortgage, Mortgagee may, at its option, (i) declare the entire indebtedness secured by this Mortgage to be immediately due and payable without notice, demand or presentment (each of which is hereby expressly waived by Mortgagor) whereupon the same shall become immediately due and payable, (ii) institute proceedings for the complete foreclosure of this Mortgage, (iii) institute proceedings to collect any delinquent installment or installments of the indebtedness secured by this Mortgage without accelerating the due date of the entire indebtedness by proceeding with foreclosure of this Mortgage with respect to any delinquent installment or installments of such indebtedness only and any sale of the Premises under such a foreclosure proceeding shall be subject to and shall not affect the unmatured part of the indebtedness and this Mortgage shall be and continue as a lien on the Premises securing the unmatured indebtedness, (iv) institute proceedings in equity or at law for the specific performance of any covenant, agreement or condition in this Mortgage or in aid of the execution of any power granted in this Mortgage or (v) take such other action as may be permitted under the laws of the state in which the Premises are located.

(c) Expense of Litigation. In any suit to foreclose the lien of this Mortgage there shall be allowed and included, as

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additional indebtedness in the judgment or decree of foreclosure, all reasonable expenditures and expenses (which may be estimated as to items to be expended after entry of the judgment or decree) which may be paid or incurred by or on behalf of Mortgagee for court costs and attorneys' fees and for appraisers' fees, fees for documentary and expert evidence, stenographer's fees, publication costs, survey costs and costs of procuring all abstracts of title, title examinations, title insurance policies, Torrens certificates and other similar data and assurances with respect to title as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such judgment or decree of foreclosure the true condition of the title to or value of the Premises.

(d) Right of Possession. Upon the occurrence of an event of default and to the extent permitted by law Mortgagee, at its option, shall have the right, personally or by its agents or attorneys, to enter upon and to take and maintain possession of all or any portion of the Premises and to take and maintain possession of all documents, books, records, papers and accounts of Mortgagor or the then manager of the Premises relating thereto and may exclude Mortgagor, its agents or servants, wholly therefrom and may, personally or by its agents or attorneys as agent of Mortgagor or in its own name as Mortgagee and under the powers herein granted possess, operate, manage and control the Premises and conduct any business thereon with full power to (i) collect all rents, issues and profits from the Premises, (ii) take such action, legal or equitable, as may, in its discretion, be necessary or desirable to protect or enforce the payment of the rents, issues and profits from the Premises, including instituting actions for recovery of rent, actions in forcible detainer and actions in distress for rent, (iii) cancel or terminate any tenancy, lease or sublease for any cause or reason which would entitle Mortgagor to cancel such tenancy, lease or sublease, (iv) elect to disaffirm any tenancy, lease or sublease made subsequent to this Mortgage or subordinated to the lien of this Mortgage, (v) extend or modify any then existing lease or tenancy and make new leases, which extensions, modifications and new leases may provide for terms or options for terms to expire beyond the maturity date of the indebtedness secured by this Mortgage, it being understood and agreed that any such leases and the options and other provisions contained therein shall be binding upon Mortgagor, upon all persons whose interests in the Premises are subject to the lien of this Mortgage and upon any purchaser or purchasers at any foreclosure sale notwithstanding any redemption from sale, discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser or purchasers at any foreclosure sale, (vi) make all repairs, decorations, renewals, replacement, alterations, additions and improvements to the Premises as Mortgagee may deem necessary or

desirable, (vii) insure and reinsure the Premises and all risks incident to the possession, operation, management and control of the Premises by Mortgagee and (viii) take such other action for the possession, operation, management and control of the Premises as Mortgagee may deem necessary or appropriate.

(e) Application of Rental Proceeds. Any rents, issues and profits from the Premises received by Mortgagee, after taking possession of the Premises or pursuant to any assignment thereof to Mortgagee under the provisions of this Mortgage or any separate Assignment of Rents or Assignment of Leases, shall be distributed and applied to or on account of the following, in such order of priority as Mortgagee (or, in the case of a receivership, as the court) may determine: (i) the payment of any expenses incurred in the possession, operation, management and control of the Premises, including reasonable compensation to Mortgagee or any receiver that may be appointed and the fees of any managing agent (if management of the Premises is delegated to such agent) and including lease commissions and other expenses of procuring tenants and entering into leases for the Premises, (ii) the payment of taxes, special assessments, water and sewer charges and other charges on the Premises now due or which may become due or which may be or become a lien prior to the lien of this Mortgage, (iii) the payment of any expenses incurred for any repairs, decorations, renewals, replacements, alterations, additions and improvements to the Premises or the operation thereof, (iv) the payment of any indebtedness secured by this Mortgage, the payment of any amount set forth in any judgment or decree of foreclosure and the payment of any deficiency which may result from any foreclosure sale or (v) with respect to any remaining funds to the Mortgagor, its successors or assigns, as their rights may appear.

(f) Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose this Mortgage, the court in which such foreclosure is filed may, upon application by Mortgagee, appoint a receiver of the Premises (which may be Mortgagee) and Mortgagor hereby consents to such appointment. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency, at the time of the application for such receiver, of any party liable for the payment of the indebtedness secured by this Mortgage, without regard to the then value of the Premises or whether the Premises are then occupied as a homestead or not and without the posting of any bond being required of the applicant. Such receiver shall have the power to take possession of and to operate, manage and control the Premises, to collect and receive all rents, issues and profits from the Premises during the pendency of such foreclosure suit and, in the case of a sale and a deficiency, during the full statutory period of redemption, if any, as well as during any further times when Mortgagor, its successors or assigns, except for the

intervention of such receiver, would be entitled to collect such rents, issues and profits and to exercise all other powers which may be necessary or desirable for the protection, possession, operation, management and control of the Premises during the whole of the aforesaid period. To the extent permitted by law, such receiver may be authorized by the court to (i) cancel or terminate any tenancy, lease or sublease for any cause or reason which would entitle Mortgagor to cancel such tenancy, lease or sublease, (ii) elect to disaffirm any tenancy, lease or sublease made subsequent to this Mortgage or subordinated to the lien of this Mortgage and (iii) extend or modify any then existing leases and tenancies and to make new leases, which extensions, modifications and new leases may provide for terms or options for terms to expire beyond the maturity date of the indebtedness secured by this Mortgage, it being understood and agreed that any such leases and the options and other provisions contained therein shall be binding upon Mortgagor, upon all persons whose interests in the Premises are subject to the lien of this Mortgage and upon any purchaser or purchasers at any foreclosure sale notwithstanding any redemption from sale, discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser or purchasers at any foreclosure sale.

(g) Sale of Premises. To the extent permitted by law all or any portion of the Premises or any interest or estate therein to be sold pursuant to any judgment or decree of foreclosure obtained pursuant to this Mortgage shall be sold as a single parcel or as multiple parcels in such manner or order as Mortgagee, in its sole discretion, may elect. At any foreclosure sale of all or any portion of the Premises, Mortgagee may bid for and acquire, as purchaser, the Premises or any portion thereof being sold and, in lieu of paying cash therefor, may credit against the indebtedness secured by this Mortgage and the amount set forth in the judgment or deed of foreclosure, the amount bid by Mortgagee at such foreclosure sale.

(h) Application of Foreclosure Proceeds. The proceeds from any foreclosure sale of all or any portion of the Premises shall be distributed and applied in the following order of priority: (i) on account of all reasonable costs and expenses incident to any such foreclosure proceedings, (ii) on account of all items (other than principal and interest remaining unpaid under the Note) which, under the terms of this Mortgage, constitute indebtedness secured by this Mortgage, together with interest thereon (unless otherwise included in the indebtedness) at the rate applicable under the Note after an Event of Default thereunder, (iii) on account of all principal and interest remaining unpaid under the Note and (iv) its successors or assigns, as their rights may appear.

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(i) Application of Deposits. Mortgagee shall have the right, but not the obligation, upon the occurrence of an event of default, to apply any deposit held by Mortgagee or by any depository pursuant to any provisions of this Mortgage to the payment of any indebtedness secured by this Mortgage in such order and manner as Mortgagee may elect.

(j) Waiver of Statutory Rights. Mortgagor agrees that it shall not apply for or avail itself of and hereby waives the benefit of, for itself and all who may claim through or under it, any appraisal, valuation, stay, moratorium, extension or exemption laws, whether existing on the date of this Mortgage or hereafter enacted, in any enforcement or foreclosure of this Mortgage. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the Premises or any portion thereof marshalled upon any foreclosure of this Mortgage and Mortgagor agrees that any court having jurisdiction to foreclose this Mortgage may order the Premises sold as an entirety. Mortgagor does hereby waive any and all rights of reinstatement and rights of redemption from sale under any judgment or decree of foreclosure of this Mortgage on behalf of itself and each and every person, except judgment creditors of the Mortgagor, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

(k) Waiver of Defenses. No action for the enforcement or foreclosure of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

(l) Partial Payments. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time such payment is made shall not constitute a waiver of Mortgagee's right to declare the entire indebtedness secured by this Mortgage to be immediately due and payable with out notice, demand or presentment or to exercise any other right or remedy of Mortgagee under this Mortgage at that time or at any subsequent time nor shall such acceptance nullify any prior exercise by Mortgagee of any right or remedy under this Mortgage without the express written consent of Mortgagee.

(m) Rescission of Acceleration. Mortgagee shall have the right to rescind any acceleration of the indebtedness secured by this Mortgage and the right to discharge or dismiss any proceedings brought to enforce any right or remedy of Mortgagee under this Mortgage and, in the event Mortgagee elects to exercise either of such rights, the obligations of Mortgagor and the rights and remedies of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced.

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19. Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided in this Mortgage shall not be exclusive of, but shall be in addition to, any right or remedy now or hereafter existing at law or in equity and all such rights and remedies may be exercised together, independently or in any combination and when and as often as Mortgagee shall elect.

20. Subrogation. In the event that any portion of the proceeds of the indebtedness secured by this Mortgage are used, directly or indirectly, to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance on the Premises, or any part thereof, then Mortgagee shall be subrogated to the rights of the creditor under such other lien or encumbrance and shall have the benefit of the priority of such other lien or encumbrance.

21. Environmental Matters. Mortgagor shall (a) comply with all laws, governmental standards and regulations applicable to the Premises or the occupants thereof with respect to occupational health and safety, hazardous waste and substances and environmental matters (collectively "Applicable Environmental Laws"), and promptly notify Mortgagee of its receipt of any notice of a violation of any Applicable Environmental Laws, and further indemnify and hold Mortgagee harmless from all loss, cost, damage, claim and expense (including, without limitation, attorneys' fees and costs incurred in the investigation, defense and settlement of claims) incurred by Mortgagee on account of Mortgagor's violation of any Applicable Environmental Laws; (b) not install or permit to be installed in the Premises (i) friable asbestos or (ii) any substance containing asbestos and deemed hazardous by federal, state or local laws, rules, regulations or orders respecting such material (collectively "Applicable Asbestos Laws"); and (c) not permit any underground tanks on the Premises which are not registered and in compliance with the applicable governmental agency. Mortgagor represents and warrants that, to its best knowledge after due inquiry, there is no hazardous waste or substances, or environmental condition (including the presence of underground tanks) existing on, over, or under the Premises constituting, or which with the passage of time would constitute, a violation or breach of Applicable Environmental Laws or Applicable Asbestos Laws. With respect to any such material present in the Premises, Mortgagor, at its expense, shall promptly either (a) remove any such material deemed hazardous and required to be removed under the Applicable Environmental Laws or Applicable Asbestos Laws or (b) otherwise comply with the Applicable Environmental Laws or Applicable Asbestos Laws.

Mortgagor shall indemnify Mortgagee and hold Mortgagee harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that Mortgagee may incur as a result

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of or in connection with the assertion against Mortgagee of any claim relating to (i) the presence or removal of any substance referred to in this Section or (ii) the compliance or noncompliance with any of the Applicable Environmental Laws or Applicable Asbestos Laws. In addition, Mortgagor acknowledges that, in the event any substance is caused to be removed from the Premises by Mortgagor or Mortgagee in order to comply with the Applicable Environmental Laws or Applicable Asbestos Laws, the Environmental Protection Agency number assigned to the asbestos or substance so removed shall not be in the name of the Mortgagee and Mortgagor shall assume all of Mortgagee's potential and actual liability for such removed asbestos. Upon Mortgagee's receipt of any information concerning a violation or alleged violation of such laws, standards, or regulations including any matters which may be raised in any engineer's or architect's report undertaken at the request of Mortgagee, Mortgagee shall, if it so elects, order an environmental study for the Premises the cost of which shall be borne by Mortgagor.

22. Financial Reports. Should Mortgagor be in default then Mortgagor shall on or before sixty (60) days after the close of the calendar year Mortgagor shall cause to be furnished to Mortgagee financial statements of the Premises and of each Guarantor. The financial statement for the Premises shall include detailed information on the cash flow and expenses of the Premises be reviewed (but not audited) by a firm of independent certified public accountants of recognized standing selected by the Mortgagor with Mortgagee's consent and accompanied by a certificate from Mortgagor stating that (i) the financial information provided is accurate and complete and (ii) that no event of default has occurred and is continuing or, if an event of default has occurred, describing same and the steps, if any, being taken to cure same.

23. Building Account Balances. Mortgagor shall maintain with Mortgagee a building account with balances in an amount sufficient to cover Mortgagee's servicing costs on the accounts of the Mortgagor and any affiliated entities. If such balances are insufficient to cover servicing costs, Mortgagor shall pay to Mortgagee, upon demand by Mortgagee, an amount sufficient to compensate Mortgagee for the uncovered servicing costs.

24. Partial Release. Mortgagee may, at any time and from time to time, with or without consideration, release any portion of the Premises from the lien of this Mortgage, release any person liable for any indebtedness secured by this Mortgage or extend the time for payment of all or any portion of the indebtedness secured by this Mortgage without in any way affecting the lien of this Mortgage or the priority thereof (except as specifically set forth in such release) and without in any way affecting the obligations of any party liable for the indebtedness

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secured by this Mortgage (except as specifically set forth in such release or extension).

25. Purpose of Loan. Mortgagor represents and agrees that the proceeds of the indebtedness secured by this Mortgage and any future advances made by Mortgagee to Mortgagor and secured by this Mortgage will be used for "business purposes" as that term is defined in Section 6404(1)(c) of Chapter 17 of the Illinois Revised Statutes.

26. Excess Interest. If it is determined that Mortgagor shall have paid or there shall have accrued interest on the indebtedness secured by this Mortgage in an amount in excess of that permitted by law, such excess shall, to the extent required by law and otherwise at the option of Mortgagee, either be applied to reduce the unpaid indebtedness secured by this Mortgage or be refunded to Mortgagor.

27. Waiver. Any delay in the exercise of or failure to exercise any right or remedy accruing on any default under this Mortgage shall not impair any such right or remedy and shall not be construed to be a waiver of any such default or acquiescence therein nor shall it affect any subsequent default of the same or of a different nature.

28. Notices. All notices, demands and other communication to be given in connection with this Mortgage shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested as follows:

If to Mortgagor:

Steven Apple, Margie Apple
Brian Frommelt
4933 W. Oakton
Chicago, Illinois 60077

With copies to:

Lawrence P. Brown P.C.
4868 W. Dempster
Skokie,, Illinois 60077

If to Mortgagee:

Michael Svigos
John Svigos
2626 W. Devon Ave
Chicago, IL 60640

-and-

Jeffrey W. Deer
DEER & STONE, P.C.
Suite 1108
134 N. LaSalle Street
Chicago, Illinois 60602

Notices given by mail in accordance with this Section shall be deemed given on the second business day after mailing. Each party, by delivering notice to the other in accordance with this Section may change the address applicable to it for purposes of this Section. Nothing in this Section shall be construed to require notice from Mortgagee to Mortgagor prior to taking any action permitted under this Mortgage unless specifically required by the terms of this Mortgage.

29. Successors and Assigns. This Mortgage and all provisions hereof shall extend to and be binding upon the Mortgagor, its successors and assigns, and all persons claiming under or through Mortgagor and shall inure to the benefit of Mortgagee and its successors and assigns.

30. Further Assurances. Mortgagor shall, upon the request of Mortgagee, execute, acknowledge and deliver any additional instruments and further assurances and do or cause to be done any further acts and things as may be reasonably necessary to carry out the intent of this Mortgage.

31. Definitions. "Mortgagor" when used herein shall include the undersigned and all persons liable for the payment of the indebtedness, or any part thereof, secured by this Mortgage whether or not such persons shall have executed this Mortgage. Whenever the context of any sentence of this Mortgage shall so require, the singular shall include the plural, the plural the singular and the use of any gender shall include all genders. The word "person" as used herein shall mean any natural person and any partnership, joint venture, corporation, association or other legal entity.

32. Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage.

33. Modifications. This Mortgage may not be amended or modified except by an instrument in writing signed by the party against whom enforcement of the amendment or modification is asserted.

34. Covenants to Run with the Land. All the covenants and agreements contained in this Mortgage shall run with the land.

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35. Captions. The captions and headings of the sections of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions of this Mortgage.

36. Severability. If any provision of this Mortgage or the application thereof to any circumstances shall be held invalid or unenforceable, the remainder of this Mortgage and the application thereof to other circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

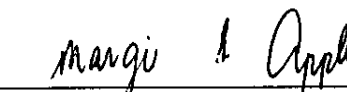
37. Construction. This Mortgage shall be construed and enforced in accordance with the laws of the state where the Real Estate is located.

38. Release. Upon payment in full of all indebtedness secured by this Mortgage and the satisfaction of all obligations of Mortgagor hereunder, including the payment of any reasonable release fee charged by Mortgagee, Mortgagee shall release the lien of this Mortgage and shall return or cause the return of any deposit or deposits held by Mortgagee or any depository pursuant to any provisions of this Mortgage to Mortgagor.

39. Exculpation. This Mortgage is executed by American National Bank & Trust Company of Chicago, not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed by the Mortgagee herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note shall be construed as creating any liability on American National Bank & Trust Company of Chicago personally to pay said or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this Mortgage and the Note shall be solely against and out of the property hereby conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect the personal liability of any co-signer, endorser or guarantor of said Note.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be signed the day and year first above written.


STEVEN D. APPLE


MARGIE G. APPLE


BRIAN FROMMELT

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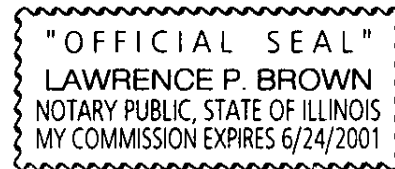
STATE OF ILLINOIS)
) SS
COUNTY OF ~~COOK~~)
 LAKE

I, LAWRENCE P BROWN, a Notary Public in and for said County, in the State aforesaid, do hereby certify that STEVEN D. APPLE, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 9th day of February, 2000.

Lawrence P Brown
Notary Public

My commission expires:



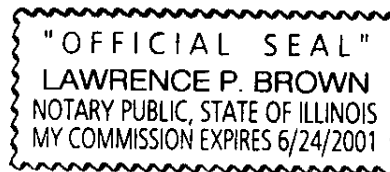
STATE OF ILLINOIS)
) SS
COUNTY OF ~~COOK~~)
 LAKE

I, LAWRENCE P BROWN, a Notary Public in and for said County, in the State aforesaid, do hereby certify that MARGIE G. APPLE, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 9th day of February, 2000.

Lawrence P Brown
Notary Public

My commission expires:



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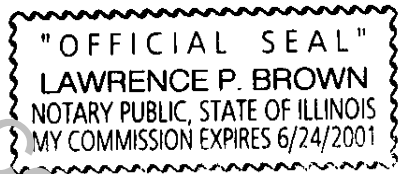
STATE OF ILLINOIS)
) SS
COUNTY OF ~~COOK~~ LAKE)

I, LAURENCE P BROWN, a Notary Public in and for said County, in the State aforesaid, do hereby certify that BRIAN FROMMELT, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 9th day of February, 2000.

Laurence P Brown
Notary Public

My commission expires:



THIS INSTRUMENT WAS PREPARED BY AND SHOULD BE RETURNED TO:

Jeffrey W. Deer, Esq.
Deer & Stone, P.C.
134 N. LaSalle Street
Suite 1108
Chicago, IL 60602



UNOFFICIAL COPY**EXHIBIT "A"****LEGAL DESCRIPTION**

LOT 13 in block 2 in North Shore "L" Terminal subdivision of the West 9 ½ acres of the North ½ of the northeast 1/4 of the northeast 1/4 of section 28, and that part west of railroad of the south ½ of the northeast 1/4 of section 28, township 41 north, range 13, east of the third principal meridian in Cook County, Illinois.

Commonly known as: 4933 W Oakton Skokie, Illinois 60077
P.I.N.: 10-28-202-004-0000

Property of Cook County Clerk's Office