

# UNOFFICIAL COPY

THIS INSTRUMENT PREPARED BY:  
Bennett L. Cohen  
Cohen, Salk & Huvard, P.C.  
630 Dundee Road, Suite 120  
Northbrook, Illinois 60062

AND AFTER RECORDING MAIL TO:  
James Mann, Sr. Vice President  
MB Financial Bank, N.A.  
1200 North Ashland Avenue  
Chicago, Illinois 60622  
LN# 215440/1/2



Eugene "Gene" Moore Fee: \$50.00  
Cook County Recorder of Deeds  
Date: 07/11/2003 08:48 AM Pg: 1 of 14

## MORTGAGE AND ASSIGNMENT OF LEASES

THIS MORTGAGE AND ASSIGNMENT OF LEASES (hereinafter referred to as this "Mortgage") is made as of June 4, 2003 between DOUGLAS ZELL AND EMILY MANGE, husband and wife (singularly a "Mortgagor", and collectively, the "Mortgagors"), with a mailing address at 1122 W. Fry, Chicago, Illinois \_\_\_\_\_ and MB FINANCIAL BANK, N.A., a national banking association ("Mortgagee"), with a mailing address at 1200 North Ashland Avenue, Chicago, Illinois 60622;

WHEREAS, pursuant to that certain Continuing Unconditional Guaranty of even date herewith (such guaranty, as amended modified or restated from time to time, the "Guaranty"), Mortgagors have unconditionally guaranteed to Mortgagee the payment and performance of all indebtedness, obligations and liabilities of INTELLIGENTSIA COFFEE & TEA INCORPORATED, an Illinois corporation (the "Borrower") to Mortgagee, whether now existing or hereafter created or arising, including, without limitation (a) a term loan in the principal amount of \$700,000.00, evidenced by Borrower's Term Note of even date herewith in the principal sum of \$700,000.00 (the "Term Note No. 1"), payable to the order of Mortgagee in installments of principal plus interest as therein described (including interest calculated at the variable rate per annum described in the Term Note, the terms of which are incorporated herein by reference); (b) a term loan in the principal amount of \$75,000.00 evidenced by Borrower's Term Note of even date herewith in the principal sum of \$75,000.00 (the "Term Note No. 2"), payable to the order of Mortgagee in installments of principal plus interest as therein described (including interest calculated at the variable rate per annum described in the Term Note No. 2, the terms of which are incorporated herein by reference); (c) a term loan in the principal amount of \$63,000.00, evidenced by Borrower's Term Note of even date herewith in the principal sum of \$63,000.00 (the "Term Note No. 3"), payable to the order of Mortgagee in installments of principal plus interest as therein described (including interest calculated at the variable rate per annum described in the Term Note No. 3, the terms of which are incorporated herein by reference), and (d) all future term loans made by the Mortgagee to the Borrower; and

WHEREAS, as a condition precedent to the Mortgagee's extension of the loans to Borrower evidenced by the Term Note No. 1, the Term Note No. 2 and the Term Note No. 3 (such

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notes, together with all extensions, renewals, modifications, refinancings, amendments and consolidations thereof of thereto, in whole or in part, collectively, the "Notes" and singularly, a "Note"), the Mortgagee requires that this Mortgage secure the payment and performance of such loans and the Guaranty; and

WHEREAS, Mortgagors desiring to induce the Mortgagee to extend such loans to the Borrower, have agreed to execute and deliver this Mortgage to Mortgagee;

NOW, THEREFORE, to secure: (a) the payment of the principal and interest on the Notes, with interest, when the same becomes due and payable (whether by lapse of time, acceleration or otherwise), including, without limitation, all extensions, renewals, modifications, refinancings, amendments and consolidations thereof or thereto, in whole or in part [and Mortgagors hereby acknowledge and irrevocably agree that this Mortgage shall automatically secure any and all extensions, renewals, modifications, refinancings, amendments and consolidations of the loans evidenced by the Notes and all future loans made by the Mortgagee to the Borrower; (b) the payment of all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms, including, without limitation, all expenses and charges, legal or otherwise, including reasonable attorneys' fees, paid or incurred by the Mortgagee in realizing upon or protecting this Mortgage or the indebtedness secured hereby; (c) the payment and performance of the Guaranty, and (d) the performance of Mortgagors' covenants and agreements under this Mortgage, Mortgagors do hereby GRANT, MORTGAGE, CONVEY AND ASSIGN to Mortgagee, its successors and assigns, the real estate described in Exhibit A attached hereto and incorporated herein by reference, being situated in the County of Cook, State of Illinois; and

TOGETHER WITH (1) all buildings, improvements, fixtures, appurtenances, easements and hereditaments thereto belonging; and together with all equipment and machinery now or hereafter therein or thereon used to supply heat, gas, air conditioning, electrical, sprinkler systems, plumbing, water, light, power, refrigeration and ventilation; communication and electronic monitoring equipment, tanks, pumps and together with any other fixtures, equipment, machinery or other personal property now or hereafter placed on the above described property which shall be employed in connection with the operation, use, occupancy or enjoyment thereof; (2) all right, title and interest of Mortgagors, including any after-acquired title or reversion, in and to the rights-of-way, roads, streets, avenues and alleys adjoining the Mortgaged Premises; (3) all rents, issues, proceeds and profits accruing and to accrue from the Mortgaged Premises and all right, title and interest of Mortgagors in and to any and all leases approved by Mortgagee now or hereafter on or affecting the Mortgaged Premises, whether written or oral, and all other leases and agreements for the use thereof, and all renewals, extensions and substitutions thereof (all of the foregoing collectively, the "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission of Mortgagee given to Mortgagors to collect the rentals to be paid pursuant thereto, provided Mortgagors shall not be in default hereunder; and (4) all proceeds heretofore or hereafter payable to Mortgagors by reason of loss or damage by fire and such other hazards, casualties and contingencies insured pursuant to the insurance policies hereinafter described and awards and other compensation heretofore or hereafter payable to Mortgagors for any taking by condemnation or eminent domain proceedings of all or any part

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of the Mortgaged Premises or any easement or appurtenance thereof, including severance and consequential damage. (said real estate and all of the above collectively referred to herein as the "Mortgaged Premises")

TO HAVE AND TO HOLD the Mortgaged Premises unto Mortgagee, its successors and assigns forever, provided, however, that if and when all principal, accrued interest and other amounts outstanding on the Notes and all other indebtedness and obligations hereby secured shall be paid in full and discharged, and Mortgagors shall perform all of the terms, covenants and agreements contained herein, then this Mortgage shall be released upon the written request and expense of Mortgagors.

Mortgagors covenant that they are lawfully seized of the real estate hereby conveyed and have the right to mortgage, grant and convey the Mortgaged Premises; that the Mortgaged Premises are unencumbered, except for the existing senior mortgages described in Exhibit B attached hereto (collectively, the "Senior Mortgage"), and that Mortgagors will warrant and defend generally the title to the Mortgaged Premises against all claims and demands, subject to any declarations, easements and restrictions of record existing on the date hereof, approved by Mortgagee.

As provided in Section 8 hereinbelow, the total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of One Million One Hundred Seventy Five Thousand and 00/100 (\$1,175,000.00) Dollars, plus interest thereon, and any disbursements made by Mortgagee for the payment of taxes, special assessments, or insurance on the Mortgaged Premises, or to protect the Mortgaged Premises or the lien of this Mortgage, with interest on all such disbursements calculated at the highest default rate set forth in the Notes (the "Default Rate"), and all costs of collection and of foreclosing this Mortgage, including reasonable attorneys' fees.

MORTGAGORS HEREBY FURTHER COVENANT TO MORTGAGEE AND AGREE AS FOLLOWS:

1. Mortgagors hereby agree: (a) to pay when due all indebtedness secured by this Mortgage, all interest thereon and all other indebtedness, obligations and liabilities which this Mortgage secures; (b) not to commit or permit to exist any waste of the Mortgaged Premises (non-payment of taxes or cancellation of insurance shall each constitute waste) and to keep the Mortgaged Premises in good condition and repair; (c) to keep the Mortgaged Premises free of any mortgage, trust deed, assignment of leases and rentals, security agreement, mechanic's lien, or other lien or encumbrance (except this Mortgage and the Senior Mortgage); (d) not to suffer or permit unlawful use or any nuisance to exist upon the Mortgaged Premises; (e) not to remove or demolish any part of the improvements of a structural nature which would adversely affect the value of the Mortgaged Premises; (f) not to abandon the Mortgaged Premises; (g) to pay when due any indebtedness or liability which may be secured by a mortgage, lien, other encumbrance or charge on all or any part of the Mortgaged Premises equal or senior in priority to this Mortgage; (h) to complete within a reasonable time any buildings or improvements now or at any time in the process of erection upon the Mortgaged

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Premises; (i) immediately after destruction or damage to all or any part of the Mortgaged Premises to commence and promptly complete the rebuilding or restoration of buildings, improvements and all other property now or hereafter on the Mortgaged Premises unless Mortgagee elects to apply the proceeds of insurance to the indebtedness secured by this Mortgage as hereinafter provided; (j) to comply with all laws, regulations, rulings, ordinances, orders and all other requirements imposed by any governmental or other competent authority and with all restrictions, covenants and conditions relating to the Mortgaged Premises or to the use of thereof; (k) that no construction shall hereafter be commenced upon the Mortgaged Premises unless the plans and specifications for such construction have been submitted to and approved in writing by Mortgagee to the end that such construction shall not, in the reasonable judgment of the Mortgagee entail prejudice of the loans evidenced by the Notes and this Mortgage; and (l) that if the Mortgaged Premises are now or hereafter located in an area which has been designated as a flood risk area by the Director of the Federal Emergency Management Agency or as otherwise required by the Flood Disaster Protection Act of 1973 (as amended from time to time) and regulations issued under it (collectively, the "Act"), the Mortgagors will keep the Mortgaged Premises covered for the duration of the loans evidenced by the Notes by flood insurance up to the maximum limit of coverage available under the Act.

2. Mortgagors shall keep the Mortgaged Premises continuously insured for the benefit of Mortgagee, until the indebtedness secured hereby shall be paid in full and discharged, against fire and such other hazards and risks customarily covered by the standard form of extended coverage endorsement available in the State of Illinois, including risks of lightning, windstorm, malicious mischief, vandalism and other extended coverage hazards, for full replacement value, and such other appropriate insurance as the Mortgagee may require from time to time. All insurance policies and renewals must be acceptable to Mortgagee, must provide for payment to the Mortgagee in the event of loss, must require thirty (30) days notice to the Mortgagee in the event of nonrenewal or cancellation, must be written by insurers acceptable to Mortgagee and have such monetary limits as Mortgagee shall require, and must be delivered to the Mortgagee. Should the Mortgagors fail to insure or fail to pay the premiums on any insurance or fail to deliver the policies or certificates or renewals to the Mortgagee, then the Mortgagee at its option may have the insurance written or renewed and pay the premiums for the account of Mortgagors. Subject to the rights of the holder of the Senior Mortgage, in the event of loss or damage, the proceeds of the insurance shall be paid to the Mortgagee alone. No loss or damage shall itself reduce the indebtedness secured hereby. All casualty policies shall contain a standard mortgagee clause naming Mortgagee as "Mortgagee and Loss Payee" and a Lender's loss payable endorsement in favor of Mortgagee. Mortgagors shall also provide a Comprehensive General Liability Policy naming Mortgagee as an "Additional Insured", written by an insurer acceptable to Mortgagee and having such monetary limits as Mortgagee shall require.

3. In the event of any loss or damage sustained by casualty for which insurance policies are in effect, the Mortgagee is authorized, subject to the rights of the holder of the Senior Mortgage, to adjust, compromise and collect all claims thereunder without the consent of the Mortgagors and to execute and deliver on behalf of Mortgagors all necessary proofs of loss, receipts, vouchers, releases and such other documents as shall be required by the insurers to be executed. At the election of Mortgagee, the proceeds of any insurance may be applied to

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the reduction of the indebtedness secured by this Mortgage, whether or not then due, or may be applied to the cost of building or restoring of buildings and improvements on the Mortgaged Premises, or may be applied to both purposes in such proportion as the Mortgagee shall determine. That part of the Mortgaged Premises so damaged or destroyed shall be repaired or rebuilt, in accordance with plans and specifications therefor submitted to and approved by Mortgagee (which approval shall not be unreasonably withheld or delayed) and all life, safety and environmental regulations, laws, ordinances (including zoning), rules and regulations of governmental authorities having jurisdiction thereover, so as to be as similar, as is reasonably possible, to the condition which existed prior to such casualty.

4. Mortgagors shall pay all general real estate taxes, special taxes, special assessments, water and sewer charges and all other taxes and charges on the Mortgaged Premises before any charge for nonpayment attaches or accrues, and shall furnish the Mortgagee, upon request, with the original or duplicate receipts therefor. If Mortgagors shall desire to contest any tax or special assessment, to avoid default under this Mortgage, Mortgagors shall pay such tax or assessment in full in the manner provided by law.

5. If Mortgagors fail to perform any of their obligations under this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Mortgaged Premises (including, but not limited to, a lien priority dispute, eminent domain, condemnation, code enforcement, insolvency, bankruptcy or probate proceedings), then Mortgagee, at its sole option, may make appearances, disburse sums and take any action it deems necessary to protect its interest (including, but not limited to, the disbursement of reasonable attorneys' fees and paralegals' fees, the entry upon the Mortgaged Premises to make repairs, the full or partial payment of principal or interest on prior encumbrances, the payment of delinquent taxes and insurance premiums and the purchase, discharge or settlement of any tax lien or any other prior lien or claim, or the redemption from any tax sale or forfeiture affecting the Mortgaged Premises or the contest of any tax or assessment). All monies paid or incurred by Mortgagee in connection therewith including costs and reasonable attorneys' fees and any other monies advanced by Mortgagee to protect the Mortgaged Premises shall be so much additional indebtedness secured hereby and shall be immediately due and payable by Mortgagors together with interest at the Default Rate defined herein.

6. In the event that the Mortgaged Premises or any part thereof is taken by condemnation, Mortgagee is hereby empowered, subject to the rights of the holder of the Senior Mortgage, to collect and receive any awards resulting therefrom ("Awards"), which shall, at the election of Mortgagee, be applied to the payment of the Notes or any other indebtedness secured hereby, or on account of rebuilding or restoring that part of Mortgaged Premises not so taken or damaged. If Mortgagee elects to permit the use of Awards for rebuilding or restoration of the Mortgaged Premises, the Mortgaged Premises shall be so rebuilt or restored in accordance with plans and specifications therefor submitted to and approved by Mortgagee (which approval shall not be unreasonably withheld or delayed) and applicable laws, so as to be as similar, as is reasonably possible, to the condition which existed prior to condemnation. In the event the Awards are insufficient to pay for all costs of rebuilding or restoration, Mortgagors shall deposit with Mortgagee an amount equal to such excess costs prior to any disbursement.

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7. To further secure payment of the Notes, all other indebtedness secured hereby and performance of all of the terms, covenants, conditions and agreements contained herein, Mortgagors hereby sell, assign and transfer to Mortgagee all of their right, title and interest in and to all Leases and rentals, issues, proceeds and profits now due and which may hereafter become due pursuant thereto, it being the intention hereby to establish an absolute transfer and assignment thereof to Mortgagee. Mortgagors hereby irrevocably appoint Mortgagee their agent, in their name and stead (with or without taking possession of the Mortgaged Premises), to rent, lease or let all or any part of the Mortgaged Premises to any party or parties, at such rental and upon such terms as Mortgagee shall, in its discretion, determine and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter and all presently due or which may hereafter become due pursuant to each and every Lease or any other tenancy existing or which hereafter exists on the Mortgaged Premises, with the same rights and powers and subject to the same rights and powers as Mortgagors would have. If no Event of Default under this Mortgage has occurred, Mortgagors shall have the right to collect all of the rents arising from Leases or renewals thereof. Upon an occurrence of an Event of Default, Mortgagee, at any time or times thereafter, may notify any and all of the tenants of the Leases that the Leases have been assigned to Mortgagee and Mortgagee may direct said tenants thereafter to make all rentals and payments due from tenants under the Leases directly to Mortgagee and shall have the right to enforce the terms of the Leases and obtain payment of and collect the rents, by legal proceedings or otherwise in the name of the Mortgagors. Mortgagors will at all times deliver to the Mortgagee duplicate originals or certified copies of all leases, agreements and documents relating to the Mortgaged Premises and shall permit access by the Mortgagee to its books and records, insurance policies and other papers for examination and making copies and extracts thereof. The Mortgagee, its agents and designees shall have the right to inspect the Mortgaged Premises at all reasonable times and access thereto shall be permitted for that purpose.
8. This Mortgage is given to and shall secure not only existing indebtedness, but also future advances, and this Mortgage secures all such advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made within twenty years from the date hereof, to the same extent as if future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all such indebtedness and future advances from the time this Mortgage is filed for record in the office of the recorder of the county where the Mortgaged Premises described herein are located. The total amount of indebtedness that may be so secured may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed One Million One Hundred Seventy Five Thousand and 00/100 (\$1,175,000.00) Dollars of principal, plus interest thereon, and any disbursements by Mortgagee made for the payment of taxes, special assessments or insurance on the Mortgaged Premises, or to protect the Mortgaged Premises or the lien of this Mortgage, with interest on such disbursements, and all costs of collection, including reasonable attorneys' fees.
9. If Mortgagors shall transfer, convey, alienate, pledge, hypothecate or mortgage (other than the Senior Mortgage) the Mortgaged Premises or any part thereof, Mortgagee, at its

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option, may accelerate the maturity of the Notes and declare them to be due and payable forthwith.

10. This Mortgage shall constitute a security agreement between Mortgagors and Mortgagee with respect to that portion of the Mortgaged Premises constituting property or interests in property, whether real or personal, including any and all sums deposited by Mortgagors and held by Mortgagee which are subject to the priority and perfection provisions of the Uniform Commercial Code. Therefore, to secure payment of the Notes and all other indebtedness and obligations of Mortgagors hereunder, Mortgagors hereby grant to Mortgagee a security interest in the Mortgaged Premises and in all such deposits and agrees that, upon an Event of Default, Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

11. Mortgagors shall not and will not apply for or avail themselves of any appraisal, valuation, stay, extension or exemption laws, or any so-called "moratorium laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but do hereby waive the benefit of such laws. MORTGAGORS WAIVE AND RELEASE ALL RIGHTS OF HOMESTEAD EXEMPTION IN THE MORTGAGED PREMISES, WHETHER ARISING UNDER STATE, FEDERAL, OR LOCAL LAW.

12. Any one or more of the following shall constitute an event of default ("Event of Default") hereunder: (a) default in the payment, when due, (whether by lapse of time, acceleration or otherwise) of the principal of or interest on any Note or of any other indebtedness hereby secured or on any future loan made by Mortgagee to Borrower; or (b) default for more than fifteen (15) days after written notice thereof is sent to Mortgagors in the observance or compliance with any other covenant, warranty, term or provision of this Mortgage, or of any other instrument or document securing the Notes or relating thereto, including without limit, that certain Loan and Security Agreement of even date herewith between Borrower and Mortgagee (such agreement, as amended, modified or restated from time to time, the "Loan Agreement"); or (c) any representation or warranty made by any Mortgagor herein or by any Mortgagor or Borrower in the Loan Agreement or in any other instrument or document securing the Notes or relating thereto or in any statement or certificate furnished by it pursuant hereto or thereto proves to be untrue or misleading in any material respect as of the date of issuance or making thereof; or (d) the Mortgaged Premises or any part thereof, shall be assigned, sold, transferred or conveyed, whether voluntarily or involuntarily, by operation of law or otherwise; or (e) any indebtedness secured by a lien or charge on the Mortgaged Premises or any part thereof (including, without limit, the Senior Mortgage) is not paid when due or proceedings are commenced to foreclose or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof; or (f) Borrower or any Mortgagor becomes insolvent or bankrupt or admits in writing its or his inability to pay its or his debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the major part of its or his property or such a trustee, custodian or receiver is appointed for any Mortgagor or Borrower or for the major part of the properties of any of them and is not discharged within thirty (30) days after such appointment, or bankruptcy, reorganization, arrangement,

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insolvency, readjustment, liquidation, dissolution or other proceedings for relief under any present or future bankruptcy laws or laws or other statute, law or regulation for the relief of debtors are instituted by or against any Mortgagor or Borrower and if instituted against such party are consented to or acquiesced in or are not dismissed within thirty (30) days after such institution, or any Mortgagor or Borrower takes any action in contemplation of or furtherance of any of the foregoing; or (g) there shall be any execution, attachment or levy on the Mortgaged Premises not stayed or released within thirty (30) days; or (h) any event occurs or condition exists which is specified as an event of default in the Loan Agreement or in any other instrument or document securing the Notes or relating thereto; or (i) any financial or other information submitted by any Mortgagor or Borrower to Mortgagee proves untrue in any material respect; or (j) the Mortgaged Premises are abandoned; or (k) any Mortgagor or Donald Zell shall die or become incompetent, or shall terminate, revoke, repudiate or disavow any of his obligations under the Guaranty or shall refuse to pay any sum payable thereunder; or (l) Borrower shall voluntarily or involuntarily dissolve.

13. When any Event of Default has occurred and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagors from complying with the terms of this instrument and of the adequacy of the security for the Notes) and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements: (a) Mortgagee may, by written notice to Mortgagors, declare the Notes and all unpaid indebtedness of Mortgagors hereby secured, including any interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind; (b) Mortgagee shall, with respect to any part of the Mortgaged Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code; (c) Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law; or (ii) by the foreclosure of this Mortgage in any manner permitted by law; (d) Mortgagee shall, as a matter of right, without giving bond to Mortgagors or anyone claiming by, under or through them, and without regard to the solvency or insolvency of Mortgagors or the then value of the Mortgaged Premises, be entitled to have a receiver appointed of all or any part of the Mortgaged Premises and rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagors hereby consent to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Mortgaged Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagors or other persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise; (e) Mortgagee may enter and take possession of the Mortgaged Premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in Mortgagee's judgment, is necessary or proper to conserve the value



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of the Mortgaged Premises. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained on or about the Mortgaged Premises and used in the operation, rental or leasing thereof or any part thereof. Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the Mortgaged Premises or any part thereof (and for such purpose Mortgagors do hereby irrevocably constitute and appoint Mortgagee their true and lawful attorney-in-fact for them and in their name, place and stead to receive, collect and receipt for all of the foregoing, Mortgagors irrevocably acknowledging that any payment made to Mortgagee hereunder shall be a good receipt and acquittance against Mortgagors to the extent so made) and to apply same to the reduction of the indebtedness hereby secured. The right to enter and take possession of the Mortgaged Premises and use any personal property thereon, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expense (including any receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be so much additional indebtedness hereby secured which Mortgagors promise to pay upon demand together with interest at the Default Rate in effect at the time such costs are incurred. Mortgagee shall not be liable to account to Mortgagors for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Premises, Mortgagee may, in the event the Mortgaged Premises becomes vacant or is abandoned, take such steps as it deems appropriate to protect and secure the Mortgaged Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the Default Rate in effect at the time such costs are incurred.

14. All rights and remedies set forth in this Mortgage are cumulative and the holder of the Notes and of every other obligation secured hereby may recover judgment herein, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby.

15. Unless expressly provided in this Mortgage to the contrary, no consent or waiver, express or implied, by Mortgagee to or of any breach or default by Mortgagors in the performance by Mortgagors of any obligations contained herein shall be deemed a consent to or waiver by Mortgagee of such performance in any other instance or any other obligation hereunder. The failure of Mortgagee to exercise either or both of its remedies to accelerate the maturity of the indebtedness secured hereby and/or to foreclose the lien hereof following any Event of Default hereunder, or to exercise any other remedy granted to Mortgagee hereunder or under applicable law in any one or more instances, or the acceptance by Mortgagee of partial payments of such indebtedness shall neither constitute a waiver of any such Event of Default or of Mortgagee's remedies hereunder or under applicable law nor establish, extend or affect any grace period for payments due under the Notes, but such remedies shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee, may at Mortgagee's option be rescinded by written acknowledgment to that effect by Mortgagee and shall not affect Mortgagee's right to accelerate maturity upon or after any future Event of Default.

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16. No action for the enforcement of the lien or any provision hereof 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 Notes or the Guaranty.

17. Mortgagors represent and agree that the proceeds of the Notes will be used for business purposes and that the Notes and this Mortgage are exempt from limitations upon lawful interest, pursuant to the terms of Section 205/4 of Chapter 815 of the Illinois Compiled Statutes.

18. If by the laws of the United States of America, or of any state having jurisdiction over the Mortgagors, any tax is due or becomes due in respect of the issuance of the Notes, the Mortgagors shall pay such tax in the manner required by such law.

19. All communications provided for herein shall be in writing and shall be deemed to have been given when delivered personally or three (3) business days after mailing by United States certified mail, return receipt requested, first class mail, postage prepaid, addressed to the parties hereto at their addresses as shown at the beginning of this Mortgage or to such other and different address as Mortgagors or Mortgagee may designate pursuant to a written notice sent in accordance with the provisions hereof.

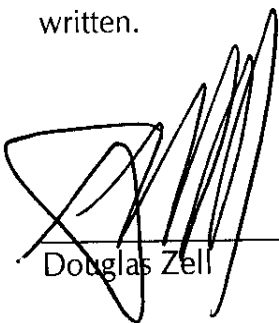
20. This Mortgage was executed and delivered in, and except as otherwise specifically stated in any given section or subsection hereof, shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Illinois.

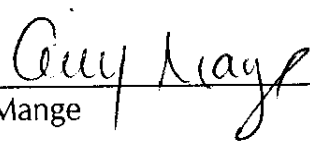
Whenever possible, each provision of this Mortgage shall be interpreted in such a manner as to be effective and valid pursuant to applicable law; provided, however, that if any part hereof shall be prohibited by or invalid thereunder, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remaining provisions of this Mortgage.

21. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagors, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective heirs, executors, administrators, successors, vendees and assigns of such parties, whether so expressed or not. In addition, all covenants, promises and agreements of Mortgagors herein shall be binding upon any other parties claiming any interest in the Mortgaged Premises under Mortgagors. Mortgagors shall be jointly and severally liable under this Mortgage. In addition, the term "Mortgagors" shall include all persons claiming under or through Mortgagors and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Notes, the Guaranty or this Mortgage.

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IN WITNESS WHEREOF, Mortgagors have executed this Mortgage the day and year first above written.

  
\_\_\_\_\_  
Douglas Zell

  
\_\_\_\_\_  
Emily Mange

Property of Cook County Clerk's Office

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## ACKNOWLEDGMENT

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

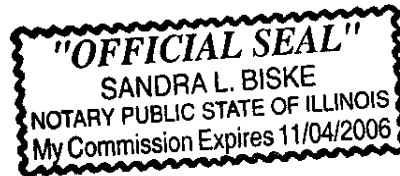
I, SANDRA L. BISKE, a Notary Public in and for the said County, in the State aforesaid, DO CERTIFY that Douglas Zell, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 5th day of June, 2003.

Sandra L. Biske  
Notary Public

My Commission expires:

11/4/06



STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

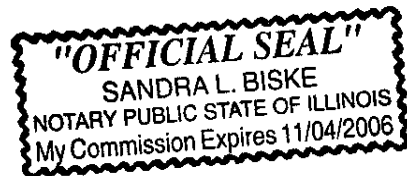
I, SANDRA L. BISKE, a Notary Public in and for the said County, in the State aforesaid, DO CERTIFY that Emily Mange, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 5th day of June, 2003.

Sandra L. Biske  
Notary Public

My Commission expires:

11/4/06



# UNOFFICIAL COPY

## EXHIBIT A

### Legal Description

LOT 26 IN BLOCK 9 IN ELSTON ADDITION TO CHICAGO, IN THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Street Address: 1122 W. Fry, Chicago, Illinois

PIN: 17-05-414-022-0000

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

## EXHIBIT B

### Description of Senior Mortgage

Senior Mortgage:

Mortgage for \$736,200.00 from Mortgagors to First American Bank dated June 24, 2002 and recorded as Document No. 0020835046.

Mortgage for \$325,000.00 from Mortgagors to First American Bank dated September 10, 2002 and recorded as Document No. 0021068349.

Property of Cook County Clerk's Office