



Doc#: 0326642112  
Eugene "Gene" Moore Fee: \$72.00  
Cook County Recorder of Deeds  
Date: 09/23/2003 08:54 AM Pg: 1 of 25

THIS DOCUMENT PREPARED  
BY AND UPON RECORDING  
RETURN TO:  
Elvin E. Charity  
Charity & Associates, P.C.  
20 North Clark Street, Suite 700  
Chicago, Illinois 60602

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND  
FINANCING STATEMENT

This Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement (hereinafter the "Mortgage") is made as of September 1, 2003, by **LAWDALE EDUCATIONAL AND REGIONAL NETWORK CHARTER SCHOOL**, an Illinois not-for-profit corporation ("Mortgagor"), with a mailing address of 3400 W. Grenshaw, 2<sup>nd</sup> Floor, Chicago, Illinois 60624, to **HARRIS TRUST AND SAVINGS BANK**, an Illinois banking corporation ("Mortgagee"), with a mailing address of 111 West Monroe Street, 2<sup>nd</sup> Floor - East, Chicago, Illinois 60603.

7900835-D2-TMS (Tefa)

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I  
RECITALS

**1.01 Issuance of Bonds.** Whereas, Illinois Development Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under the laws of the State of Illinois (the "Issuer") has issued \$5,000,000 of its Variable Rate Demand Housing Revenue Bonds (LEARN Charter School Project), Series 2003 (the "Bonds") pursuant to that certain Trust Indenture, of even date herewith (the "Indenture"), between the Issuer and U.S. Bank National Association, a national banking association (the "Trustee"), as trustee; and

**1.02 Letter of Credit/Reimbursement Agreement.** Whereas, Mortgagor and Mortgagee have entered into that certain Letter of Credit and Reimbursement Agreement, of even date herewith (the "Reimbursement Agreement"), wherein Mortgagee agrees to issue its irrevocable, transferable direct pay letter of credit (the "Letter of Credit") in the original stated amount of \$5,047,946 to the benefit of Trustee, which Letter of Credit provides liquidity and security for the Bonds and authorizes the Trustee to make draws in accordance with the terms thereof for the payment of principal of and interest on the Bonds; and

**1.03 Revolving Credit Facility.** Mortgagor is also obligated to Mortgagee under that certain Revolving Credit Promissory Note (the "Note") of even date herewith, in the principal amount not to exceed One Hundred Fifty Thousand and No/100 Dollars (\$150,000).

**1.04 Mortgagor's Obligations.** Whereas, pursuant to the Reimbursement Agreement, the Mortgagor unconditionally promises (a) to pay and reimburse the Mortgagee for the amount of all draws on the Letter of Credit honored and paid by the Mortgagee, together with all fees, charges expenses and other indebtedness described in the Reimbursement Agreement, plus interest thereon at the interest rate or rates provided for in the Reimbursement Agreement, (b) to pay the obligations evidenced by the Note (the amount of the draws under the Letter of Credit and the monetary obligations under the Reimbursement Agreement and

BOX 333-CT

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the Note are hereinafter referred to collectively as the "**Indebtedness**"), and (c) to pay all obligations and perform all of Mortgagor's covenants, agreements and obligations under the Reimbursement Agreement and the other Letter of Credit Documents (as hereinafter defined), including, without limitation, any interest rate cap, swap or similar interest rate hedge agreement between the Mortgagor and Mortgagee (the obligations under clauses (a), (b) and (c) above are hereinafter referred to collectively as the "**Obligations**"); and

**1.05 Other Letter of Credit Documents.** Whereas, as security for the repayment and performance of the Obligations, certain other documents, including, without limitation, the documents described in Section 3.1 of the Reimbursement Agreement, have been executed and delivered to Mortgagee (the Reimbursement Agreement, the Letter of Credit, this Mortgage and all other documents, whether now or hereafter existing, that are executed and delivered as additional evidence of, or security for, the performance and repayment of the Obligations are hereinafter referred to collectively as the "**Letter of Credit Documents**"); and

**1.06 This Mortgage.** Whereas, as security for the payment and performance of the Obligations, in addition to the other Letter of Credit Documents, Mortgagor has executed and delivered to Mortgagee this Mortgage:

## II

### THE GRANT

Now, Therefore, to secure the payment of the principal amount of the Indebtedness and interest thereon and the performance of the other Obligations under the Letter of Credit Documents and the performance of the agreements contained hereinbelow and to secure the payment of any and all other indebtedness, direct or contingent, that may now or hereafter become owing by Mortgagor to Mortgagee, including, without limitation, the indebtedness evidenced by the Note and in consideration of the matters recited hereinabove, Mortgagor hereby grants, bargains, sells, conveys and mortgages to Mortgagee and its successors and assigns forever the real estate, and all of its estate, right, title, and interest therein, situated in the County of Cook, State of Illinois, as more particularly described in Exhibit A, which is attached hereto and made a part hereof (the "**Premises**"), together with the following described property (the Premises and the following described property being hereinafter referred to collectively as the "**Mortgaged Property**"), all of which other property is hereby pledged primarily on a parity with the Premises and not secondarily:

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

(b) all right, title, and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, sidewalks and alleys adjoining the Premises;

(c) each and all of the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties, and privileges of the Premises or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity, as well as any after-acquired title, franchise, or license and the reversions and remainders thereof;

(d) all rents, issues, deposits and profits accruing and to accrue from the Premises and the avails thereof; and

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(e) all fixtures and personal property now or hereafter owned by Mortgagor and attached to or contained in and used or useful in connection with the Premises or the aforesaid improvements thereon, including without limitation any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same be attached to the Premises or to such improvements now or thereafter erected or placed thereon, it being intended, agreed, and declared that all such property owned by Mortgagor and placed by it on the Premises or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purpose of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage, and as to any of the aforesaid property that is not part of such real estate or does not constitute a "fixture", as such term is defined in the Illinois Uniform Commercial Code, Chapter 810, Illinois Compiled Statutes, this Mortgage shall be deemed to be, as well, a security agreement under such Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as "secured party," as such term is defined in such Uniform Commercial Code.

To have and to hold the same unto Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth.

If and when the principal amount of the Obligations (including interest as provided hereunder), any and all other amounts required under the Letter of Credit Documents, and all of the agreements contained in the Letter of Credit Documents have been fully paid and performed, then this Mortgage shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

## III

### GENERAL AGREEMENTS

**3.01 Principal and Interest.** Mortgagor shall pay promptly when due the principal amount of the Indebtedness and interest on the Indebtedness at the times and in accordance with the terms of the Reimbursement Agreement or any of the other Letter of Credit Documents.

**3.02 Other Payments.** At the option of Mortgagee, Mortgagor shall deposit monthly with Mortgagee or a depository designated by Mortgagee, in addition to any payments of principal amount of Indebtedness or interest thereon required by the Reimbursement Agreement, deposits equal to the aggregate of the estimated annual premiums for the insurance required to be maintained by Article III hereof and the estimated amount of real estate taxes and assessments next due, divided by the whole number of months to elapse prior to the date when such insurance premiums and real estate taxes will become due and payable. The amount of such deposits shall be determined by Mortgagee based upon Mortgagee's reasonable estimate of the amount of such insurance premiums and real estate taxes and assessments next due on the Mortgaged Property.

All such payments described in this Paragraph 3.02 shall be held by Mortgagee or a depository designated by Mortgagee in trust without accruing, or without any obligation arising for the payment of, any interest thereon. If the funds so deposited are insufficient to pay when due all taxes or insurance premiums as

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aforesaid, Mortgagor shall, within ten (10) days after receipt of demand therefor from Mortgagee or its agent, deposit such additional funds as may be necessary to pay such taxes or insurance premiums. If the funds so deposited exceed the amounts required to pay such items, the excess shall, provided no Default (as hereinafter defined) exists hereunder, be refunded to Mortgagor or, if a Default exists hereunder, be applied against other amounts due and payable by Mortgagor hereunder or under the other Letter of Credit Documents.

Neither Mortgagee nor any such depository shall be liable for any failure to pay and apply any of the foregoing deposits for the payments of taxes or insurance premiums, as applicable, unless Mortgagor, while not in Default hereunder, has requested Mortgagee or such depository, in writing, to make application of such deposits to the payment of particular taxes or insurance premiums, accompanied by the bills for such taxes; provided, however, that Mortgagee may, at its option, make or cause such depository to make any such application of the aforesaid deposits without any direction or request to do so by Mortgagor.

**3.03 Property Taxes.** Mortgagor shall pay, before becoming delinquent, all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges that may be asserted against the Mortgaged Property or any part thereof or interest therein, and furnish to Mortgagee duplicate receipts therefor within thirty (30) days after payment thereof, unless payment is made by Mortgagee from the amount of any deposits made by Mortgagor hereunder. If Mortgagor has made deposits with Mortgagee pursuant to Paragraph 3.02, Mortgagee, at its option, either may make such deposits available to Mortgagor for the payments required under this Paragraph 3.03 or may make such payments on behalf of Mortgagor. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments, provided that:

(a) such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Mortgaged Property or any part thereof or interest therein to satisfy the same;

(b) Mortgagor has notified Mortgagee in writing of the intention of Mortgagor to contest the same before any tax or assessment has been increased by any interest, penalties, or costs; and

(c) Mortgagor has deposited with Mortgagee, at such place as Mortgagee may from time to time in writing designate, a sum of money or other security acceptable to Mortgagee that, when added to the monies or other security, if any, deposited with Mortgagee pursuant to Paragraph 3.02 hereof, is sufficient, in Mortgagee's reasonable judgment, to pay in full such contested tax and assessment and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient, in Mortgagee's reasonable judgment, to pay in full such contested tax and assessment, increasing such amount to cover additional penalties and interest whenever, in Mortgagee's reasonable judgment, such increase is advisable. In lieu of cash, Mortgagor may provide a surety bond underwritten by a surety company acceptable to Mortgagee and in an amount sufficient in Mortgagee's reasonable judgment to pay in full such contested tax or assessment, and all penalties and interest or an endorsement over the lien of such tax or assessment issued by the Title Company (as defined in the Reimbursement Agreement) to the Mortgagee's Title Policy (as defined in the Reimbursement Agreement).

In the event Mortgagor fails to prosecute such contest with reasonable diligence or fails to maintain sufficient funds on deposit or such other security as hereinabove provided, Mortgagee may, at its option, apply the monies and liquidate any securities deposited with Mortgagee, in payment of or on account of, such taxes and assessments or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the monies and any such other security so deposited is insufficient for the payment in full of such taxes and assessments, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Mortgagee a sum that, when added to such funds then on deposit, is sufficient to make such

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payment in full, or, if Mortgagee has applied funds on deposit on account of such taxes and assessments, restore such deposit to an amount satisfactory to Mortgagee. Provided that Mortgagor is not then in Default hereunder, Mortgagee shall, if so requested in writing by Mortgagor, after final disposition of such contest and upon Mortgagor's delivery to Mortgagee of an official bill for such taxes, apply the money so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest thereon.

**3.04 Tax Payments by Mortgagee.** Mortgagee is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions, or liens that may be asserted against the Mortgaged Property, or any part thereof, and may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, lien, sale, forfeiture, or title, lien, statement of lien, encumbrance, claim, charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Paragraph 3.04, whenever, in its reasonable judgment and discretion, such advance seems necessary or desirable to protect the full security intended to be created by this Mortgage. In connection with any such advance, Mortgagee is further authorized, at its option, to obtain a title search prepared by a title insurance company of Mortgagee's choosing. All such advances and indebtedness authorized by this Paragraph 3.04 shall constitute additional indebtedness secured hereby and shall be repayable by Mortgagor upon demand with interest at the rate set forth in the Reimbursement Agreement.

### **3.05 Insurance**

(a) **Hazard.** Mortgagor shall keep the improvements now existing or hereafter erected on the Mortgaged Property insured for the "full insurable value" of the Mortgaged Property under a replacement cost form of insurance policy against loss or damage resulting from fire, windstorm, and other hazards as may be required by Mortgagee. Mortgagor shall pay promptly, when due, any premiums on such insurance. All such insurance shall be in form and of content, and shall be carried in companies, approved in writing by Mortgagee, and all such policies and renewals thereof (or certificates evidencing the same), marked "paid," shall be delivered to Mortgagee at least thirty (30) days before the expiration of then existing policies and shall have attached thereto standard noncontributory mortgagee clauses entitling Mortgagee to collect any and all proceeds payable under such insurance, as well as standard waiver of subrogation endorsements. Mortgagor shall not carry any separate insurance on such improvements concurrent in kind or form with any insurance required hereunder or contributing in the event of loss. In the event of a change in ownership of the Mortgaged Property approved in writing by Mortgagee, immediate notice thereof shall be delivered by mail to all such insurers. In the event of any casualty loss, Mortgagor shall give immediate notice thereof by mail to Mortgagee. Mortgagor hereby appoints Mortgagee as its agent and attorney-in-fact and authorizes and permits Mortgagee, at Mortgagee's option, to adjust and compromise any such losses under any of the aforesaid insurance and, after deducting any costs of collection, to use, apply or disburse the proceeds as provided in this Paragraph 3.05(a). Mortgagee may collect all proceeds of insurance and after deduction of all reasonable expense of collection and settlement, including reasonable attorneys' and adjustors' fees and charges, and subject to the second paragraph of this subsection (a), apply same in the order of priority as set forth in Section 7.21 of the Reimbursement Agreement. If the insurance proceeds are insufficient to pay the Obligations in full, Mortgagee may declare the balance remaining unpaid immediately due and payable, and avail itself of any of the remedies provided for in the event of Default.

Notwithstanding the provisions of the first paragraph of subsection (a) above, so long as no Event of Default exists hereunder or under Section 8.1 of the Reimbursement Agreement and no event or circumstance exists that, with notice or the passage of time or both, would constitute an Event of Default hereunder or under Section 8.1 of the Reimbursement Agreement, Mortgagee shall, upon written request of Mortgagor, apply

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insurance proceeds to rebuild or restore the Mortgaged Property and the improvements thereon, provided that (i) in the Mortgagee's reasonable judgment, the Mortgaged Property and the improvements thereon can be completed, restored or rebuilt, as the case may be, to a complete architectural unit of an equivalent value and utility as originally contemplated in the plans and specifications approved by the Mortgagee; (ii) the insurance proceeds are in Mortgagee's reasonable judgment sufficient to complete such restoration or rebuilding or, if such proceeds are insufficient, Mortgagor has deposited with Mortgagee funds, which when added to the insurance proceeds, are sufficient in Mortgagee's reasonable judgment to completely rebuild or restore the Mortgaged Property and the improvements; (iii) in the judgment of Mortgagee, Mortgagor can complete all such repairs, restoration or reconstruction not later than ninety (90) days prior to the date that the Letter of Credit expires; (iv) Mortgagee shall have the right to hold and disburse all funds necessary for such rebuilding or to approve disbursements of such insurance proceeds for any such rebuilding or restoration; (v) Mortgagee shall have approved plans and specifications for any rebuilding or restoration; (vi) Mortgagor shall promptly commence the rebuilding or restoration of the Mortgaged Property and improvements following the occurrence of any such casualty event and shall proceed diligently thereafter to completion. Mortgagor shall notify Mortgagee in writing within (60) days after the occurrence of a casualty event affecting the Mortgaged Property or any part thereof. Said written notice shall specify whether Mortgagor intends to rebuild or restore the Property using insurance proceeds. If Mortgagor does not timely notify Mortgagee of its election to so use the insurance proceeds or cannot comply with the conditions set forth in this paragraph for the use of the insurance proceeds to rebuild or restore the Mortgaged Property and the improvements, then the first paragraph of this subsection (a) shall be applicable and shall govern the use of insurance proceeds.

The term "full insurable value" as used herein shall mean actual cash value -- replacement cost without physical depreciation (inclusive of costs of excavation, foundations and footings below the lowest basement floor of the Mortgaged Property) to the extent available from Mortgagor's insurance companies. Mortgagee shall have the right to notify Mortgagor periodically during the term of this Mortgage that it elects to have the replacement value redetermined by an insurance company acceptable to Mortgagee. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The amount of the property and casualty insurance required to be maintained hereunder shall be adjusted according to any such redetermination. The cost of such redetermination and any additional insurance premiums shall be paid by the Mortgagor.

(b) **Liability.** Mortgagor shall carry and maintain such comprehensive public liability and workmen's compensation insurance as may be required from time to time by Mortgagee in form and of content, in amounts, and with companies approved in writing by Mortgagee. Certificates of such insurance, premiums prepaid, shall be deposited with Mortgagee and shall contain a provision for twenty (20) days' notice to Mortgagee prior to any cancellation thereof.

**3.06 Condemnation and Eminent Domain.** Any and all awards heretofore or hereafter made or to be made to the present or any subsequent owner of the Mortgaged Property by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Mortgaged Property, any improvement located thereon, or any easement thereon or appurtenance thereof are hereby assigned by Mortgagor to Mortgagee. Mortgagee is hereby authorized to collect and receive from the condemnation authorities all such awards and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall give Mortgagee immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Mortgaged Property, or any easement thereon or appurtenance thereof (including severance of, consequential damage to or change in grade of streets), and shall deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further agrees to make, execute and deliver to Mortgagee, at any time upon request, free, clear, and discharged of any encumbrance of any kind whatsoever, any and all further

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assignments and other instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. All of the proceeds of any condemnation or taking by eminent domain of all or any part of the Mortgaged Property, if any, interest therein shall, subject to the second paragraph of this Section 3.06, be applied in the order of priority as set forth in Section 7.21 of the Reimbursement Agreement.

Notwithstanding the provisions of the first paragraph of this Section 3.06 above, so long as no Event of Default exists hereunder or under Section 8.1 of the Reimbursement Agreement and no event or circumstance exists that, with notice or the passage of time or both, would constitute an Event of Default hereunder or under Section 8.1 of the Reimbursement Agreement, Mortgagee shall, upon written request of Mortgagor, apply the proceeds of such an award to rebuild or restore the Mortgaged Property and the improvements thereon, provided that (i) in the Mortgagee's reasonable judgment, the Mortgaged Property and the improvements thereon can be restored or rebuilt to a complete architectural unit of a substantially equivalent value and utility as originally contemplated in the plans and specifications approved by the Mortgagee for the Project (as defined in the Reimbursement Agreement); (ii) the net proceeds of such an award are in Mortgagee's reasonable judgment sufficient to complete such restoration or rebuilding or, if such net proceeds are insufficient, Mortgagor has deposited with Mortgagee funds, which when added to the net proceeds of such award, are sufficient in Mortgagee's reasonable judgment to completely rebuild or restore the Mortgaged Property and the improvements; (iii) Mortgagee shall have the right to hold and disburse all funds necessary for such rebuilding or to approve disbursements of proceeds of such an award for any such rebuilding or restoration; (iv) the rebuilding or restoration can, in Mortgagee's reasonable judgment, be completed no later than ninety (90) days prior to the expiration of the Letter of Credit; (v) Mortgagee shall have approved plans and specifications for any rebuilding or restoration; and (vi) Mortgagor shall promptly commence the rebuilding or restoration of the Mortgaged Property and improvements following the occurrence of any such taking and shall proceed diligently thereafter to completion. Mortgagor shall notify Mortgagee in writing within (60) days after Mortgagor first has notice of a proposed taking by the exercise of condemnation or eminent domain. Said written notice shall specify whether Mortgagor intends to rebuild or restore the Mortgaged Property using the net proceeds of any award for such taking. If Mortgagor does not timely notify Mortgagee of its election to so use the proceeds of any award for such taking or cannot comply with the conditions set forth in this paragraph for the use of the proceeds of any such award to rebuild or restore the Mortgaged Property and the improvements, then the first paragraph of this Section 3.06 shall be applicable and shall govern the use of such proceeds. Mortgagor hereby covenants and agrees, upon request by the Mortgagee, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning all such condemnation awards and proceeds to the Mortgagee, free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

**3.07 Maintenance of Property.** No building or other improvement on the Mortgaged Property shall be materially altered, removed or demolished, nor shall any fixtures, chattels, or articles of personal property on, in or about the Mortgaged Property be severed, removed, sold or mortgaged without the prior written consent of Mortgagee and, in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered by this Mortgage or by any separate security agreement executed in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any other security interest therein, encumbrances thereon, or reservation of title thereto. Mortgagor shall promptly repair, restore, or rebuild any building or other improvement now existing or hereafter situated on the Mortgaged Property that may become damaged or be destroyed. Any such building or other improvement shall be so repaired, restored, or rebuilt so as to be of at least equal value and of substantially the same character as prior to such damage or destruction.

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Mortgagor further agrees: (a) to permit, commit, or suffer no waste, impairment, or deterioration of the Mortgaged Property or any part thereof; (b) to keep and maintain the Mortgaged Property and every part thereof in good repair and condition; to effect such repairs as Mortgagee may reasonably require; and (c) from time to time, to make all necessary and proper replacements thereof and additions thereto so that the Premises and such buildings, other improvements, fixtures, chattels, and articles of personal property will at all times be in good condition, fit and proper for the respective purposes for which they were originally erected or installed or rehabilitated.

**3.08 Compliance with Laws.** Mortgagor shall comply with all statutes, ordinances, regulations, rules, orders, decrees and other requirements relating to the Mortgaged Property or any part thereof imposed by any federal, state, or local authority and shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions, and nonconforming uses), privileges, franchises, and concessions that are applicable to the Mortgaged Property or that have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property.

**3.09 Liens and Transfers.** Without Mortgagee's prior written consent, and except as expressly permitted in the Reimbursement Agreement, Mortgagor shall not create, suffer, or permit to be created or filed against the Mortgaged Property, or any part thereof, any mortgage lien or other lien superior or inferior to the lien of this Mortgage. Notwithstanding the foregoing, Mortgagor may, at its expense, after prior written notice to Mortgagee, contest by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any mechanic's lien claim filed against the Mortgaged Property provided that: (i) in Mortgagee's sole judgment, neither the Mortgaged Property nor any part thereof is at any time in danger of being sold, forfeited, lost or interfered with and (ii) Mortgagor shall have furnished an endorsement to the Title Policy affirmatively insuring Mortgagee against the existence or attempted enforcement of such mechanic's lien or such alternative security as Mortgagee may require. In the event Mortgagor hereafter suffers or permits any superior or inferior lien to be attached to the Mortgaged Property or any part thereof without Mortgagee's written consent, other than a mechanic's lien claim being contested in accordance with this Paragraph 3.09 and any lien expressly permitted in the Reimbursement Agreement, Mortgagee shall have the unqualified right, at its option, to declare a Default under this Mortgage and exercise all available remedies hereunder.

If Mortgagor, without Mortgagee's prior written consent, sells, transfers, conveys, assigns, hypothecates, or otherwise transfers the title to all or any portion of or interest in the Mortgaged Property or contracts to do any of the foregoing, except for leases in the ordinary course of business, Mortgagee shall have the unqualified right, at its option, to declare a Default under this Mortgage and exercise all available remedies hereunder. Without limiting the generality of the foregoing, except as otherwise expressly permitted in the Reimbursement Agreement, each of the following events shall be deemed a sale, conveyance, assignment, hypothecation, or other transfer of an interest in the Mortgaged Property prohibited by the proceeding sentence:

if Mortgagor is a partnership or corporation, any sale, conveyance, assignment, or other transfer of all or any portion of the stock or partnership interest of any entity directly or indirectly in control of any corporation or partnership constituting or included within Mortgagor that results in a material change in the identity of the person(s) in control of such entity; and

Any waiver by Mortgagee of the provisions of this Paragraph 3.09 shall not be deemed to be a waiver of the right of Mortgagee in the future to insist upon strict compliance with the provisions hereof.

**3.10 Subrogation to Prior Lienholder's Rights.** If the proceeds of the Indebtedness and Obligations secured hereby, any part thereof or any amount paid out or advanced by Mortgagee is used directly



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or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then, to the fullest extent permitted by law, Mortgagee shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder and shall have the benefit of the priority of the same.

**3.11 Mortgagee's Dealings with Transferee.** In the event of the sale or transfer, by operation of law, voluntarily or otherwise, of all or any part of the Mortgaged Property, Mortgagee shall be authorized and empowered to deal with the vendee or transferee with regard to the Mortgaged Property, the Obligations secured hereby, and any of the terms or conditions hereof as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from its covenants hereunder, specifically including those contained in Paragraph 3.09 hereof, and without waiving Mortgagee's right to declare a Default.

**3.12 Stamp Taxes.** If at any time the United States government or any federal, state or municipal governmental subdivision requires Internal Revenue or other documentary stamps, levies or any tax on this Mortgage or requires payment of the United States Interest Equalization Tax on any of the Indebtedness secured hereby, then such Indebtedness and all interest accrued thereon shall be and become due and payable at the election of the Mortgagee thirty (30) days after the mailing by Mortgagee of notice of such election to Mortgagor; provided, however, that such election shall be unavailing, and this Mortgage, the Reimbursement Agreement and the other Letter of Credit Documents shall be and remain in effect if Mortgagor lawfully pays for such stamps or such tax, including interest and penalties thereon, to or on behalf of Mortgagee.

**3.13 Change in Tax Laws.** In the event of the enactment after the date of this Mortgage, of any law of the state in which the Premises are located deducting from the value of the Premises for the purpose of taxation the amount of any lien thereon or imposing upon Mortgagee the payment of all or any part of the taxes, assessments, charges or liens hereby required to be paid by Mortgagor or changing in any way the law relating to the taxation of mortgages or debts secured by mortgages or Mortgagor's interest in the Mortgaged Property or the manner of collection of taxes so as to affect this Mortgage or the Obligations secured hereby or the holder thereof, then Mortgagor, upon demand by Mortgagee, shall pay such taxes, assessments, charges, or liens or reimburse Mortgagee therefor; provided, however, that if, in the opinion of counsel for Mortgagee, it might be unlawful to require Mortgagor to make such payment or the making of such payment might result in violation of the law, then Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the Obligations secured hereby to become due and payable within sixty (60) days after the giving of such notice. Nothing contained in this Paragraph 3.13 shall be construed as obligating Mortgagee to pay any portion of Mortgagor's federal or state income taxes.

**3.14 Inspection of Property.** Mortgagor shall permit Mortgagee and its representatives and agents to inspect the Mortgaged Property from time to time during normal business hours and as frequently as Mortgagee considers reasonable. Mortgagee shall use best efforts to provide Mortgagor with reasonable prior written or telephonic notice.

**3.15 Inspection of Books and Records.** Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Mortgaged Property and, within fifteen (15) days after written demand therefor by Mortgagee, permit Mortgagee or its agents to examine such books and records and all supporting vouchers and data at any time during customary business hours and from time to time on request at Mortgagor's offices, at the address hereinabove identified or at such other location as may be mutually agreed upon.

**3.16 Annual Operating Statements.** Mortgagor shall furnish to Mortgagee, within ninety (90) days after the close of each fiscal year of Mortgagor, an annual operating statement of income and expenses of

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the Mortgaged Property and also of Mortgagor, if so required by Mortgagee. Such report shall contain such detail and embrace such items as Mortgagee may reasonably require, as further provided in the Reimbursement Agreement.

**3.17 Acknowledgement of Debt.** Mortgagor shall furnish from time to time, within fifteen (15) days after Mortgagee's request, a written statement, duly acknowledged, confirming Mortgagee's determination of the amount then due under the Reimbursement Agreement and this Mortgage, or, if Mortgagor does not agree with Mortgagee's determination, then stating the basis of such disagreement, and disclosing whether any alleged offsets or defenses exist as of the date of the statement against the Obligations secured hereby.

**3.18 Other Amounts Secured.** This Mortgage secures in addition to any Obligations outstanding from time to time, and in addition to any advances pursuant to Paragraphs 3.04 and 3.10 or 7.01 hereof, litigation and other expenses pursuant to Paragraphs 4.05 and 4.06 hereof, and any other amounts as provided herein, the payment of any and all loan commissions, service charges, liquidated damages, expenses, and advances due to or paid or incurred by Mortgagor in connection with the Obligations secured hereby.

**3.19 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 priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Mortgaged Property upon the execution by Mortgagee and recording thereof, at any time hereafter, in the appropriate official records of the county wherein the Premises are situated, of a unilateral declaration to that effect.

**3.20 Security Instruments.** Mortgagor shall execute, acknowledge, and deliver to Mortgagee, within fifteen (15) days after request by Mortgagee, a security agreement, financing statements, and any other similar security instrument reasonably required by Mortgagee, in form and of content reasonably satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor that, in the sole opinion of Mortgagee, is essential to the operation of the Mortgaged Property and concerning which there may be any doubt whether title thereto has been conveyed, or a security interest therein perfected, by this Mortgage under the laws of the state in which the Premises are located. Mortgagor shall further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement, certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue, and extend such security instruments. Mortgagor further agrees to pay to Mortgagee all reasonable costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing, and refile of any such document.

**3.21 Releases.** Mortgagee, without notice and without regard to the consideration, if any, paid therefor and, notwithstanding the existence at that time of any inferior liens thereon, may release from the lien created hereby all or any part of the Mortgaged Property or release from liability any person obligated to repay any Obligations secured hereby or extend the time for payment of all or any part of such Obligations or modify the Letter of Credit Documents without in any way affecting the liability of any party to any of the Reimbursement Agreement, this Mortgage or any of the other Letter of Credit Documents, including, without limitation, any guaranty given as additional security for the Obligations secured hereby and without in any way affecting the priority of the lien of this Mortgage. None of the foregoing actions by Mortgagee shall in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the Obligations secured hereby.

**3.22 Interest Laws.** It being the intention of Mortgagee and Mortgagor to comply with the laws of the State of Illinois, it is agreed that, notwithstanding any provision to the contrary in the Reimbursement Agreement, this Mortgage or any of the other Letter of Credit Documents, no such provision shall require the payment or permit the collection of any amount ("**Excess Interest**") in excess of the maximum amount of

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interest permitted by law to be charged for the use or detention or the forbearance in the collection of all or any portion of the Obligations. If any Excess Interest is provided for, or is adjudicated to be provided for, in the Reimbursement Agreement, this Mortgage, or any of the other Letter of Credit Documents, then in such event: (a) the provisions of this Paragraph 3.22 shall govern and control; (b) neither Mortgagor nor any other obligors shall be obligated to pay any Excess Interest; (c) any Excess Interest that Mortgagee may have received hereunder shall, at the option of Mortgagee, be (i) applied as a credit against the then unpaid principal balance of the Obligations secured hereby, including, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing; (d) the rate of interest charged under the Reimbursement Agreement shall be subject to automatic reduction to the maximum lawful contract rate allowed under the applicable usury laws of the aforesaid State, and the Reimbursement Agreement, this Mortgage, and the other Letter of Credit Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the interest rate; and (e) neither Mortgagor nor any other Obligors shall have any action against Mortgagee for any damages whatsoever arising out of the payment or collection of any Excess Interest.

**3.23 Use of Proceeds.** No part of the proceeds of the Bonds disbursed to the Mortgagor pursuant to the Indenture have been or shall be used for the purchase or carrying of registered equity securities within the purview of Regulation G of the Federal Reserve Board or for the purpose of releasing or retiring any indebtedness which was originally incurred for any such purpose. Mortgagor covenants that no part of the proceeds of the Bonds will be used to purchase or carry any margin stock (within the meaning of Regulations U and G of the Board of Governors of the Federal Reserve System) or for retiring any indebtedness which was originally incurred for such purpose.

## IV

### DEFAULTS AND REMEDIES

**4.01 Events Constituting Defaults.** Each of the following events shall constitute a default (a "Default" or "Event of Default") under this Mortgage:

- (a) Failure of Mortgagor to pay any of the Obligations or other sum secured hereby on the date that such sum becomes due and payable, including without limitation, any payment of the principal amount of any reimbursement obligations under the Reimbursement Agreement, or interest thereon, which failure is not remedied within five (5) days of the date due and payable.
- (b) The occurrence of a default under the Note after any applicable notice and cure period.
- (c) Mortgagor shall suffer or permit a transfer of or lien against the Mortgaged Property in violation of Paragraph 3.09.
- (d) Any representation or warranty contained in any of the Reimbursement Agreement, this Mortgage, the other Letter of Credit Documents or any other document or writing submitted to Mortgagee by or on behalf of Mortgagor pertaining to the Obligations shall be materially false or misleading when made.
- (e) Failure of Mortgagor to perform or observe any covenant, warranty or other provision contained in this Mortgage other than as described in clauses (a), (b) or (c) for a period in excess of thirty (30) days after the date on which notice of such failure is given by Mortgagee

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to Mortgagor in the manner provided in Paragraph 8.01 hereof. In the case of a non-monetary default described in this subsection (d) that is not susceptible of being cured within such thirty (30) day period, Mortgagee shall not declare an Event of Default as long as Mortgagor (a) initiates corrective action within such thirty (30) day period; (b) diligently, continuously and in good faith proceeds to cure such default or potential event of Default; (c) in Mortgagee's sole judgment the security in the Mortgaged Property is not materially impaired by such failure to cure within said thirty (30) day period; and (d) such non-monetary default is cured no later than ninety (90) days after the date that Mortgagee first gives notice as described above to Mortgagor. In no event shall the grace period hereinabove granted be for more than sixty (60) days from the date Mortgagee first gives notice as above to Mortgagor, it being acknowledged and agreed by Mortgagor that concurrently with the expiration of such sixty (60) day period Mortgagee may declare an Event of Default and pursue all remedies contained herein.

- (f) The occurrence of a default or event of default under the Reimbursement Agreement or any other Letter of Credit Document, which default continues beyond any applicable notice and cure period.

Notwithstanding anything to the contrary contained herein, and in accordance with Section 8.1 of the Reimbursement Agreement, the Mortgagee hereby agrees that any cure of any default made or tendered by one or more of the Mortgagor's shareholders shall be deemed to be a cure by the Mortgagor and shall be accepted or rejected on the same basis as if made or tendered by the Mortgagor.

**4.02 Acceleration of Maturity.** At any time during the existence of any Event of Default, and at the option of Mortgagee, the entire principal balance of the Obligations under the Reimbursement Agreement, together with interest accrued thereon and all other sums due from Mortgagor thereunder or under this Mortgage and under any of the other Letter of Credit Documents, shall without notice become immediately due and payable with interest thereon at the default rate (as provided in the Reimbursement Agreement).

**4.03 Foreclosure of Mortgage.** Upon the occurrence of any Default, or at any time thereafter, Mortgagee may, at its option, proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the state in which the Premises are located. Any failure by Mortgagee to exercise such option shall not constitute a waiver of its right to exercise the same at any other time.

**4.04 Mortgagee's Continuing Options.** The failure of Mortgagee to exercise its options to accelerate the maturity of the Indebtedness secured hereby or to exercise any other option granted to Mortgagee hereunder in any one or more instances or the acceptance by Mortgagee of partial payments of such Obligations, shall neither constitute a waiver of any such Default or of Mortgagee's options hereunder nor establish, extend or affect any grace period for payments due under the Reimbursement Agreement, but such options shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee, may at Mortgagee's option and, to the extent permitted by law, be rescinded by written acknowledgement to that effect by Mortgagee and shall not affect Mortgagee's right to accelerate maturity upon or after any future Default.

**4.05 Litigation Expenses.** In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee under any of the Reimbursement Agreement, this Mortgage and the other Letter of Credit Documents or in any other proceeding whatsoever in connection with any of the Letter of Credit Documents or any of the Mortgaged Property in which Mortgagee is named as a party, there shall be allowed and included, as additional Obligations in the judgment or decree resulting thereof, all expenses paid or

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incurred in connection with such proceeding by or on behalf of Mortgagee, including without limitation, reasonable attorney's fees, appraiser's fees, outlays for documentary evidence and expert advice, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and any similar data and assurances with respect to title to the Mortgaged Property as Mortgagee may deem necessary either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or value of the Premises or the Mortgaged Property. All expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Mortgaged Property and the maintenance of the lien of this Mortgage thereon, including without limitation, the reasonable fees of any attorney employed by Mortgagee in any litigation affecting its rights under the Reimbursement Agreement, this Mortgage or any of the Mortgaged Property or, from and after the occurrence of an Event of Default, in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Mortgagor with interest at the rate set forth in the Reimbursement Agreement.

**4.06 Performance by Mortgagee.** In the event of any Default, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and Mortgagee may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any; purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof; redeem the Mortgaged Property from any tax sale or forfeiture; or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including reasonable attorney's fees and any other monies advanced by Mortgagee to protect the Mortgaged Property and the lien of this Mortgage, shall be so much additional Obligations secured hereby and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the rate or rates as determined by Section 2.14 of the Reimbursement Agreement. Inaction of Mortgagee shall never be construed to be a waiver of any right accruing to Mortgagee by reason of any Default by Mortgagor.

**4.07 Right of Possession.** In any case in which, under the provisions of this Mortgage or the other Letter of Credit Documents, Mortgagee has a right to institute foreclosure proceedings, whether or not the entire principal sum secured hereby becomes immediately due and payable as aforesaid, or whether before or after the institution of proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagor shall, forthwith upon demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Mortgaged Property or any part thereof, personally or by its agent or attorneys, and Mortgagee, in its discretion, may enter upon and take and maintain possession of all or any part of the Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Mortgaged Property relating thereto and may exclude Mortgagor, such owner and any agents and servants thereof wholly therefrom and may, as attorney-in-fact or agent of Mortgagor or such owner, or in its own name as Mortgagee and under the powers herein granted:

- (a) hold, operate, manage, and control all or any part of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment of security of the rents, issues, deposits, profits and avails of the Mortgaged Property, including without limitation, actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;
- (b) cancel or terminate any lease or sublease of all or any part of the Mortgaged Property for any cause or on any ground that would entitle Mortgagor to cancel the same;

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(c) elect to disaffirm any lease or sublease of all or any part of the Mortgaged Property made subsequent to this Mortgage or subordinated to the lien hereof;

(d) to the fullest extent permitted by law, extend or modify any then existing leases and make new leases of all or any part of the Mortgaged Property, which extensions, modifications, and new leases may provide for terms to expire or for options to lessees to extend or renew terms to expire beyond the maturity date of the Letter of Credit and the Reimbursement Agreement and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale; it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Mortgaged Property are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser; and

(e) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Mortgaged Property as may seem judicious to Mortgagee, to insure and reinsure the Mortgaged Property and all risks incidental to Mortgagee's possession, operation, and management thereof and to receive all rents, issues, deposits, profits and avails therefrom.

**4.08 Priority of Payments.** Any rents, issues, deposits, profits and avails of the Mortgaged Property received by Mortgagee after taking possession of all or any part of the Mortgaged Property or pursuant to any assignment thereof to Mortgagee under the provisions of this Mortgage or any of the other Letter of Credit Documents shall be applied in payment of or on account of the following, in such order as Mortgagee or, in case of receivership, as the court, may determine:

(a) operating expenses of the Mortgaged Property (including reasonable compensation to Mortgagee, any receiver of the Mortgaged Property, any agent or agents to whom management of the Mortgaged Property has been delegated), and also including lease commissions and other compensation for and expenses of seeking and procuring tenants and entering into leases, establishing claims for damages, if any, and paying premiums on insurance hereinabove authorized;

(b) taxes, special assessments, and water and sewer charges now due or that may hereafter become due on the Mortgaged Property, or that may become a lien thereon prior to the lien of this Mortgage;

(c) any and all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Mortgaged Property (including without limitation the cost, from time to time, of installing or replacing ranges, refrigerators, and other appliances and other personal property therein, and of placing the Mortgaged Property in such condition as will, in the reasonable judgment of Mortgagee or any receiver thereof, make it readily rentable or salable);

(d) any Obligations secured by this Mortgage or any deficiency that may result from any foreclosure sale pursuant hereto; and

(e) any remaining funds to for the benefit of Mortgagor or its successors or assigns, as their interests and rights may appear.

**4.09 Appointment of Receiver.** Upon or at any time after the filing of any complaint to foreclose the lien of this Mortgage, the court may, upon application, appoint a receiver of the Mortgaged Property or any part thereof. Such appointment may be made (a) either before or after foreclosure sale, without notice; (b) without regard to the solvency or insolvency at the time of application for such receiver of the person or persons, if any, liable for the payment of the Obligations secured hereby; (c) without regard to the value of the

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Mortgaged Property at such time and whether or not the same is then occupied as a homestead; and (d) without bond being required of the applicant. Such receiver shall have the power to take possession, control and care of the Mortgaged Property and to collect all rents, issues, deposits, profits and avails thereof during the pendency of such foreclosure suit and, in the event of a sale and a deficiency where Mortgagor has not waived its statutory rights of redemption, during the full statutory period of redemption, as well as during any further times when Mortgagor or its devisees, legatees, heirs, executors, administrators, legal representatives, successors, or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, deposits, profits, and avails. Such receiver shall have all other powers that may be necessary or useful for the protection, possession, control, management, and operation of the Mortgaged Property. To the extent permitted by law, such receiver may be authorized by the court to extend or modify any then existing leases and to make new leases of the Mortgaged Property or any part thereof, which extensions, modifications and new leases may provide for terms to expire or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Obligations secured hereby; it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof, and upon the purchaser or purchasers at any such foreclosure sale, notwithstanding any redemption from sale, discharge of Obligations, satisfaction of foreclosure decree or issuance of certificate of sale or deed to any purchaser.

**4.10 Foreclosure Sale.** In the event of any foreclosure sale of the Mortgaged Property, the same may be sold in one or more parcels. Mortgagee may be the purchaser at any foreclosure sale of the Mortgaged Property or any part thereof.

**4.11 Application of Proceeds.** The proceeds of any foreclosure sale of the Mortgaged Property, or any part thereof, shall be distributed and applied in the following order of priority: (a) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraphs 4.05 and 4.06 hereof; (b) all other items that, under the terms of this Mortgage, constitute secured indebtedness additional to the payment and reimbursement obligations under the Reimbursement Agreement, with interest thereon at the interest rate set forth in the Reimbursement Agreement; (c) all principal and interest remaining unpaid under the Reimbursement Agreement, in the order of priority specified by Mortgagee in its sole discretion; and (d) the balance to or for the benefit of Mortgagor or its successors or assigns, as their interests and rights may appear.

**4.12 Application of Deposits.** In the event of any Event of Default, Mortgagee may, at its option, without being required to do so, apply any monies or securities that constitute deposits made to or held by Mortgagee or any depository pursuant to any of the provisions of this Mortgage or the Reimbursement Agreement toward payment of any of Mortgagor's Obligations hereunder or under the Reimbursement Agreement or any of the other Letter of Credit Documents, in such order and manner as Mortgagee may elect. When the Obligations secured hereby have been fully paid, any remaining deposits shall be paid to or for the benefit of Mortgagor or to the then owner or owners of the Mortgaged Property. Such deposits are hereby pledged as additional security for the prompt payment of the Obligations and any other indebtedness secured hereby and shall be held to be applied irrevocably by such depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor.

**4.13 Waiver of Statutory Rights.** Mortgagor shall not apply for or avail itself of any appraisal, valuation, redemption, 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 hereby waives, to the fullest extent permitted by law, the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, hereby also waives any and all rights to have the Mortgaged Property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold in its

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entirety. Mortgagor hereby further waives any and all rights of redemption from sale under any order or decree of foreclosure of the lien hereof for itself and on behalf of any trust estate of which the Premises are a part, all persons beneficially interested therein each and every person acquiring any interest in the Mortgaged Property or title to the Premises subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by law.

**4.14 Cross Default Effect Under Letter of Credit Documents.** A default or event of default under the provisions of any of the Letter of Credit Documents, after any applicable notice and after the expiration of any applicable cure period, shall be deemed to be an Event of Default under this Mortgage. Mortgagee may at its option, exhaust its rights and remedies under any or all of said Letter of Credit Documents, as well as its rights and remedies hereunder, either concurrently or independently and in such order as it may determine and may apply the proceeds received therefrom to the Obligations of Mortgagor secured hereby without waiving or affecting the status of any breach or Event of Default or any right or remedy, whether contained in this Mortgage or any contained or exercised pursuant to any of the Letter of Credit Documents.

V

## SECURITY AGREEMENT

**5.01 Grant of Security Interest.** Mortgagor hereby grants to Mortgagee, in addition to and not in substitution for, any interest granted hereinabove, an express security interest in, and mortgages to the Mortgagee, all goods, types and items of personal property and fixtures owned by the Mortgagor which are described in subsection (e) of Article II of this Mortgage and in Paragraph 5.02 below (hereinafter the "**Collateral**") whether now or hereafter erected on or placed in or upon the Premises or any part thereof, and all replacements thereof and accessions thereto and proceeds thereof to further secure the payment of the Obligations, the payment of all other sums due from the Mortgagor to the Mortgagee, and the performance by Mortgagor of all the covenants and agreements set forth herein. Mortgagor warrants and covenants that Mortgagor is the owner of the Collateral free from any adverse lien, security interest or encumbrance and Mortgagor warrants that Mortgagor has made payment in full for all such Collateral. Mortgagor will upon request from Mortgagee, deliver to Mortgagee such further security agreements, chattel mortgages, financing statements and evidence of ownership of such Collateral as Mortgagee may request.

**5.02 Description of Collateral.** The security interest granted to the Mortgagee hereby shall cover the types of items described in subparagraph (e) of Article II of this Mortgage, together with the following types of items of property now or hereafter owned by the Mortgagor and used in connection with, and located upon, the Premises: all machinery, apparatus, equipment, goods, systems, fixtures and property of every kind and nature whatsoever now or hereafter located in or upon or affixed to the Premises, or any part thereof, and used or usable in connection with any present or future operation of the Premises, and now owned or hereafter acquired by Mortgagor, including, but without limitation of the generality of the foregoing, all building permits, plans and specifications, the construction contract, all contracts, sub-contracts and all other rights, licenses, permits, and agreements related to construction, leasing and management of the Premises, heating, lighting, incinerating, refrigerating, ventilating, air-conditioning, air-cooling, lifting, fire-extinguishing, plumbing, cleaning, communications, power, equipment, systems and apparatus; and all elevators, escalators, switchboards, engines, motors, tanks, pumps, screens, storm doors, storm windows, shades, blinds, awnings, floor coverings, ranges, stoves, refrigerators, washers, dryers, cabinets, partitions, conduits, ducts and compressors; and all other items of personal property used in connection with the Premises. In addition, the Mortgagor hereby grants to the Mortgagee an express security interest in all tenements, hereditaments, easements, appendages, licenses, privileges and appurtenances belonging or in any way appertaining to the



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Premises, and all interests in property, rights and franchises or any part thereof together with all the reversions and remainders, and to the extent permitted by laws, all rents, tolls, issues and profits from the Premises, and all the estate, right, title, interest and claims whatsoever, at law and in equity which the Mortgagor now has or may hereafter acquire with respect to the Premises and the Collateral.

**5.03 Remedies Upon Default.** Upon a Default hereunder and acceleration of the Obligations pursuant to the provisions hereof, Mortgagee may at its discretion require Mortgagor to assemble the Collateral and make it available to Mortgagee at a place reasonably convenient to both parties to be designated by Mortgagee and Mortgagee may exercise all of its rights and remedies under the Illinois Uniform Commercial Code, Chapter 810, Illinois Compiled Statutes, with respect to the Collateral, either exclusive of or contemporaneously with, the exercise of any other right or remedy granted under this Mortgage. Mortgagee shall give Mortgagor notice, by registered mail, postage prepaid, of the time and place of any public sale of any of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to Mortgagor at least five (5) days before time of the sale or other disposition, which provisions for notice Mortgagor and Mortgagee agree are reasonable; provided, however, that nothing herein shall preclude Mortgagee from proceeding as to both the Premises and personal property in accordance with Mortgagee's rights and remedies in respect to the Premises as provided in Section 5/9-501 of Chapter 810 of the Illinois Compiled Statutes.

**5.04 Reimbursement for Expenses.** Mortgagor shall reimburse Mortgagee for all costs, charges and fees, including reasonable legal fees incurred by Mortgagee in preparing and filing security agreements, extension agreements, financing statements, continuation statements, termination statements and chattel searches.

**5.05 Collateral as Real Estate.** The Collateral described herein shall be considered for all purposes a part of the Mortgaged Property as described herein; all warranties and covenants contained in this Mortgage made by Mortgagor shall be deemed as having been made with reference to the Collateral; all agreements, undertakings and obligations of Mortgagor stated herein shall apply to the Collateral, including without limitation, obligations regarding insurance, freedom from adverse lien or encumbrance, repair and maintenance; and all remedies of the Mortgagee in the event of any default by Mortgagor under the provisions of this Mortgage or any other instrument evidencing or securing the Obligations shall be available to the Mortgagee against the Collateral.

**5.06 Mortgage as Security Agreement.** This Mortgage constitutes a Security Agreement as the term is used in the Illinois Uniform Commercial Code, Chapter 810, Illinois Compiled Statutes.

**5.07 Mortgage as Financing Statement.** This Mortgage is intended to be a financing statement within the purview of the Code with respect to any Collateral, which is or may become fixtures relating to the Premises. The addresses of Mortgagor (debtor) and Mortgagee (secured party) are hereinabove set forth. This Mortgage is to be filed with the Recorder of Deeds of the County where the Premises is located. Mortgagor is the record owner of the Premises.

## VI

### ASSIGNMENT OF LEASES, RENTS AND CONTRACTS

**6.01 Assignment of Rents.** Mortgagor hereby assigns to Mortgagee all of Mortgagor's interest in all rents, issues and profits of the Mortgaged Property, as further security for the payment of the Obligations and other sums secured hereby. Mortgagor grants to Mortgagee the right to enter upon the Mortgaged Property and to let the Mortgaged Property, or any part thereof, and to apply said rents, issues, profits and proceeds after

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payment of all charges and expenses, on account of the Obligations and other sums secured hereby. This assignment and grant shall continue in effect until the Obligations and other sums secured hereby are paid in full. Mortgagee hereby agrees not to exercise the right to enter the Mortgaged Property for the purpose of collecting said rents, issues or profits and Mortgagor shall be entitled to collect and receive said rents, issues, profits and proceeds until the occurrence of an Event of Default by Mortgagor under the terms and provisions hereof, provided that any rents issues and profits collected and received by Mortgagor after the occurrence of an Event of Default hereunder which is not cured within the applicable grace period provided hereby shall be deemed collected and received by Mortgagor in trust for Mortgagee and Mortgagor shall account to Mortgagee for the full amount of such receipts. Mortgagor agrees to apply said rents, issues and profits whenever received, to payment of the Obligations, all impositions on or against to Mortgaged Property and other sums secured hereby. The right of Mortgagor to collect and receive said rents, issues and profits in trust for Mortgagee during the continuance of any Event of Default by Mortgagor under the terms and provisions of this Mortgage may be revoked by Mortgagee's giving written notice of such revocation to Mortgagor.

**6.02 Further Assurances.** Mortgagor will, from time to time after notice and demand, execute and deliver to Mortgagee, in form satisfactory to Mortgagee, further agreements evidencing its willingness to comply and its compliance with the provisions of this Article VI. Mortgagor shall pay Mortgagee the expenses incurred by Mortgagee in connection with the recording of any such agreement.

**6.03 Primary Assignment.** The assignment contained in this Article VI is given as collateral security and the execution and delivery hereof shall not in any way impair or diminish the obligations of the Mortgagor, nor shall this assignment impose any obligation on Mortgagee to perform any provision of any contract or lease pertaining to the Mortgaged Property or create any responsibility for the non-performance thereof by Mortgagor or any other person. The assignment under this Article VI is given as a primary pledge and assignment of the rights described herein and such assignment shall not be deemed secondary to the Mortgagor's security interest and mortgage in the Mortgaged Property. Mortgagee shall have the right to exercise any rights under this Article VI before, together with, or after exercising any other rights under this Mortgage.

**6.04 Mortgagor's Performance of Obligations.** Mortgagor shall observe and perform all covenants, conditions and agreements in each lease to which it is a party, now or hereafter affecting any portion of the Mortgaged Property. Mortgagor shall not, without the prior written consent of Mortgagee, (a) accept any installments of rent for more than one month in advance or any security deposit for more than an amount equal to two months' rent, or (b) take any action or fail to take any action or exercise any right or option which would permit the tenant under any lease to cancel or terminate such lease, or (c) amend or modify any lease in a manner which would (i) decrease or abate the rent payable per unit of time under the lease, (ii) decrease or abate the payments to be made by the tenant under the lease for rent, (iii) reduce or extend the term of the lease, or (iv) impose any additional obligations on the landlord under the lease; (d) consent to a sublease or a substitution of tenants under the lease; or (e) terminate any lease, unless the tenant thereunder is in default. Mortgagor agrees that hereafter it shall not assign any of the rents or profits of the Mortgaged Property.

**6.05 Mortgagee's Rights.** In the event of a Default by Mortgagor under this Mortgage or any of the other Letter of Credit Documents, Mortgagee may, as attorney-in-fact for Mortgagor, or in its own name as Mortgagee, and under the powers herein granted, hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of the avails, rents, issues, and profits of the Mortgaged Property, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to this

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Mortgage; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity of the Letter of Credit or as described hereinabove, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to this Mortgage; (d) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property as Mortgagee may deem judicious; (e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) to receive all of such avails, rents, issues and profits. Mortgagor hereby grants Mortgagee full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times after the occurrence of a Default, without notice to Mortgagor, except for any notice of Default expressly provided for herein or in the other Letter of Credit Documents.

**6.06 Mortgagor's Indemnification.** Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any of the leases assigned hereby. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage, including, without limitation, reasonable attorneys' fees and expenses (excluding expenses attributable to in-house attorneys, employees salaries and other normal overhead expenses of Mortgagee) related thereto, which Mortgagee may or might incur by reason of its performance of any action authorized under Paragraph 6.05 and of and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements of Mortgagor (except for any such liability, loss or damage resulting from Mortgagee's gross negligence or willful misconduct). Nothing herein contained shall be construed as constituting Mortgagee in possession in the absence of the taking of actual possession of the Mortgaged Property by Mortgagee. In the exercise of the powers herein granted Mortgagee, no liability (except for any such liability resulting from Mortgagee's gross negligence or willful misconduct) shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor, its successors and assigns.

**6.07 Waiver.** Nothing herein contained shall be construed as constituting Mortgagee a Mortgagee in possession in the absence of the taking of actual possession of the Mortgaged Property by Mortgagee pursuant to court order or as otherwise permitted by law. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

## VII

### PROTECTIVE ADVANCES/MAXIMUM AMOUNT OF INDEBTEDNESS

**7.01 Protective Advances Defined.** All advances, disbursements and expenditures (collectively "Protective Advances") made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Illinois Mortgage Foreclosure Act (the "Act"), 735 ILCS 5/15-1101 *et seq.*, shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Mortgagee in accordance with the terms of this Mortgage to: (i) preserve or maintain, repair, restore or rebuild the improvements upon the Premises; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

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(b) payments by Mortgagee of: (i) when due, installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Property or any part thereof; (ii) other obligations authorized by this Mortgage; or (iii) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage as referred to in Sections 5/15-1504(d)(2) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in the preparation for the commencement or defense of any such foreclosure or other action;

(e) Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-1508 of the Act;

(f) advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments and insurance premiums as may be authorized by this Mortgage;

(g) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act;

(h) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the Premises or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if any interest in the Premises is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or Mortgagee takes possession of the Mortgaged Property imposed by Subsection (c)(1) of Section 5/15-1704 of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by Mortgagee to be for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (vii) costs incurred by Mortgagee for demolition, preparation for and completion of construction, as may be; (viii) pursuant to any lease or other agreement for occupancy of the Mortgaged Property; and (ix) if this Mortgage is insured, payments of FHA or private mortgage insurance.

All Protective Advances shall be so much additional Obligations secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate of interest payable after a default under the terms of the Reimbursement Agreement.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(1) of Section 5/15-1302 of the Act.

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All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

- (1) the determination of the amount of Obligations secured by this Mortgage at any time;
- (2) the Obligations found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional Obligations becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
- (3) if the right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5/15-1603 of the Act;
- (4) the determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;
- (5) the application of income in the hands of any receiver or Mortgagee in possession; and
- (6) the computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.

The maximum amount of indebtedness secured by this Mortgage is \$5,047,946, plus interest, plus any disbursements for the payment of taxes and insurance on the Mortgaged Property, together with interest thereon, plus the amount of any other Protective Advances, together with interest thereon.

## VII

### MISCELLANEOUS

**8.01 Notices.** Except as otherwise hereinabove specified, any notice that Mortgagee or Mortgagor may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipients thereof in the manner and at the addresses set forth in Section 7.2 of the Reimbursement Agreement or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant to the Reimbursement Agreement. Except as otherwise specifically required, herein, notice of the exercise of any right or option granted to Mortgagee by this Mortgage is not required to be given, any such notice being deemed waived by Mortgagor to the fullest extent permitted by law.

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

**8.03 Covenants Run with Land.** All of the covenants of this Mortgage shall run with the land constituting the Premises.

**8.04 Governing Law.** The place of negotiation, execution, and delivery of this Mortgage, the location of the Mortgaged Property, and the place of payment and performance under the Letter of Credit Documents being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State. To the extent that this Mortgage may operate as a security agreement under the Code, Mortgagee shall have all rights and remedies conferred therein for the benefit of a secured party, as such term is defined therein.

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**8.05 Rights and Remedies Cumulative.** All rights and remedies set forth in this Mortgage are cumulative, and the Mortgagee may recover judgment hereon, 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.

**8.06 Severability.** If any provision of this Mortgage or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.

**8.07 Non-Waiver.** No consent or waiver, express or implied, by Mortgagee to or of any breach or default by Mortgagor in the performance by Mortgagor of any obligations contained herein shall be deemed a consent to or waiver of the performance by Mortgagor of any other obligations hereunder or the future performance of the same or of any other obligations hereunder.

**8.08 Headings.** The headings of sections and paragraphs in this Mortgage are for convenience or reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

**8.09 Grammar.** As used in this Mortgage, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

**8.10 Deed in Trust.** If title to the Mortgaged Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the creation of any lien on the Mortgaged Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.

**8.11 Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon Mortgagor, its successors, assigns, legal representatives, and all other persons or entities claiming under or through Mortgagor, and the word "Mortgagor," when used herein, shall include all such persons and entities and any others liable for the payment of the Obligations secured hereby or any part thereof, whether or not they have executed the Reimbursement Agreement or this Mortgage. The word "Mortgagee," when used herein, shall include Mortgagee's successors, assigns, and legal representatives.

**8.12 Revolving Credit.** Subject to the terms and conditions set forth in the Reimbursement Agreement and the Letter of Credit, the Trustee, as beneficiary under the Letter of Credit, may, pursuant to the Indenture, draw, repay or cause to be repaid, and redraw, up to the Available Amount (as defined in the Letter of Credit) under the Letter of Credit, the proceeds of which shall be used for the purposes stated in the Reimbursement Agreement. All revolving credit advances made in accordance with the Reimbursement Agreement and the Letter of Credit shall be a lien on the Mortgaged Property as of the date of recording of this Mortgage pursuant to Section 15-1302(b)(3) of the Act. Notwithstanding the foregoing, no drawings, reborrowings or disbursements shall be made or permitted under the Letter of Credit from and after the expiration date of the Letter of Credit.

**8.13 Counterparts.** This Mortgage may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

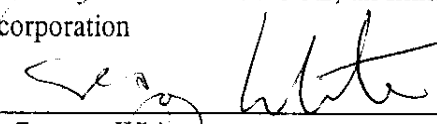
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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the date hereinabove first written.

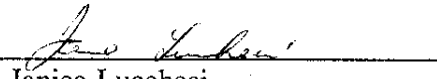
**MORTGAGOR:**

LAWNDALE EDUCATIONAL AND REGIONAL NETWORK CHARTER SCHOOL, an Illinois not-for-profit corporation

By: 

Name: Gregory White

Title: President, Board of Director

By: 

Name: Janice Lucchesi

Title: Treasurer, Board of Director

Property of Cook County Clerk's Office





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## EXHIBIT A

### LEGAL DESCRIPTION

Parcel 1:

Lot 1, 43, 44, 45, 46 and 47 in Block 9 in 12<sup>th</sup> Street Addition to Chicago, being a subdivision of that part of the South East ¼ of Section 14, Township 39 North, Range 13 East of the Third Principal Meridian, lying South of the right of way of The Chicago Great Western Railroad, in Cook County, Illinois

Parcel 2:

Lots 37 and 38 in Block 8 in 12th Street Addition to Chicago, being a subdivision of that part of the South East ¼ of Section 14, Township 39 North, Range 13 East of the Third Principal Meridian, lying south of the right of way of the Chicago Great Western Railroad Company, in Cook County, Illinois

Parcel 3:

All of the North South 16 foot wide Vacated Alley recorded March 20, 2003 as Document Number 0030384136 lying East and Southeasterly of the East and Southeasterly lines of Lot 1, lying West of the West line of Lots 43 to 47, both inclusive, lying South of a line, drawn from the Northeast corner of Lot 1 to the Northwest corner of Lot 47 and lying North of a line drawn from the point of intersection of the Southeasterly and South lines of Lot 1 to the Southwest corner of Lot 43 all in Block 9 in 12<sup>th</sup> Street Addition to Chicago, being a subdivision of that part of the Southeast ¼ of Section 14, Township 39 North, Range 13 East of the Third Principal Meridian, lying South of the right of way of The Chicago and Great Western Railroad Company, in Cook County, Illinois

P.I.N.: 16-14-427-017

16-14-427-018

16-14-427-019

16-14-427-020

16-14-427-021

16-14-423-028