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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 0909745131 Fee: \$74.25
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/07/2009 03:27 PM Pg: 1 of 19

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 14-28-312-064-0000

Address:

Street: 2440 N. Orchard

Street line 2:

City: Chicago

State: IL

ZIP Code: 60614

Lender: Paul Janowitz

Borrower: 2440 N. Orchard LLC

Loan / Mortgage Amount: \$75,000.00

This property is located within Cook County and is exempt from the requirements of 765 ILCS 771/10 et seq. because it is commercial property.

Certificate number: 6BAAB624-1146-401F-9E31-ECC7125E9510

Execution date: 04/02/2009

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(Above space for recording information)

 THIS INSTRUMENT PREPARED BY:) Matthew B. Brotschul
) Brotschul Potts LLC
) 230 W. Monroe
) Suite 2250
 AFTER RECORDING, MAIL TO:) Chicago, Illinois 60606

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

Dated 29 of February 19, 2009

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT, made and dated to be effective as of this 19th day of February, 2009, by

2440 N. Orchard LLC, having an address of, 1137 W. Webster, Chicago, Illinois 60614

(herein, each for convenience referred to as a "mortgagor," and collectively, jointly and severally, for convenience referred to as the "Mortgagor"), and

Paul Janowitz, having an address at _____

(herein, together with its successors and assigns, including each and every holder from time to time of the Note hereinafter defined, called, collectively, the "Mortgagee")

WITNESSETH:

WHEREAS, Mortgagor is the owner and holder of fee simple title in and to all of the following described parcels of real estate located in the City of Chicago, County of Cook, State of Illinois, which real estate forms a portion of the Premises hereinafter described:

Per the Legal Description set forth in Exhibit "A" attached hereto and forming a part hereof

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Permanent Tax No.: 14-28-312-064-0000

Commonly known as: 2440 N. Orchard
Chicago, Illinois 60614

WHEREAS, Mortgagor and SMH Contractors, LLC, an Illinois limited liability company, has, concurrently herewith, executed and delivered to Mortgagee a Promissory Note (the " Note"), of even date herewith, payable to the order of Mortgagee and delivered, said note in the total amount of

SEVENTY FIVE THOUSAND AND NO/100S DOLLARS (\$75,000.00)

with the unpaid balance and any accrued interest being due and payable on JUNE 21, 2009 , and with the terms and provisions of the Note being incorporated herein by reference with the same effect as if set forth at length.

NOW, THEREFORE, to secure the payment of the principal of and interest on the Note according to its tenor and effect, and to secure the payment of all other sums which may at any time be due and owing or required to be paid as herein provided (the "Indebtedness Hereby Secured"), and the performance and observance of all of the covenants, agreements and provisions herein and in the Note contained, and in consideration of the premises and of the extension of credit by the Mortgagee to the Mortgagor, as evidenced by the above described Note, and for other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged by the Mortgagor, the Mortgagor DOES HEREBY GRANT, DEMISE, RELEASE, ALIEN, MORTGAGE and CONVEY unto Mortgagee, its successors and assigns forever, the real estate above described (which, together with the property mentioned in the next succeeding paragraphs hereto, is called the "Premises");

TOGETHER with all right, title and interest of Mortgagor, including any after-acquired title or reversions, in and to the beds of the ways, streets, avenues and alleys adjoining the aforesaid real estate;

TOGETHER with all and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties and privileges thereof or in any way now or hereafter appertaining to said real estate, including any other claim at law or in equity as well as any after-acquired title, franchise or license and the reversions and remainder and remainders thereof;

TOGETHER with all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all

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materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the aforesaid real estate, and all fixtures and articles of personal property now or hereafter owned by Mortgagor and attached to or forming a part of or used in connection with the aforesaid real estate or the operation and convenience of any building or buildings and improvements located thereon, including, but without limitation, all furniture, furnishings, equipment, apparatus, machinery, motors, elevators, fittings, screens, awnings, partitions, carpeting, curtains and drapery hardware used or useful in the operation and/or convenience of the aforesaid real property or improvements thereon and all plumbing, electrical, heating, lighting, ventilating, refrigerating, incineration, air-conditioning and sprinkler equipment, systems, fixtures and conduits (including, but not limited to, all furnaces, boilers, plants, units, condensers, compressors, ducts, apparatus and hot and cold water equipment and system), and all renewals or replacements thereof or articles in substitution thereof in all cases whether or not the same are or shall be attached to said building or buildings in any manner, it being mutually agreed that all of the aforesaid property owned by Mortgagor and placed on the aforesaid realty shall, so far as permitted by law, be deemed to be fixtures, a part of the realty, and security for the Indebtedness Hereby Secured. Notwithstanding the agreement and declaration hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and be appropriated to its use and deemed to be realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute goods (as said term is used in the Uniform Commercial Code), this instrument shall constitute a security agreement, creating a security interest in such goods as collateral, in Mortgagee as a secured party, all in accordance with said Illinois Uniform Commercial Code as more particularly set forth in Section 18 hereof;

TOGETHER with all right, title, estate and interest of the Mortgagor in and to the Premises, property, improvements, furniture, furnishing, apparatus and fixtures hereby conveyed, assigned, pledged and hypothecated, or intended so to be, and all right to retain possession of the Premises after default in payment or breach of any covenant herein contained; and

TOGETHER with all awards and other compensation heretofore or hereafter to be made to the present and all subsequent owners of the Premises for any taking by eminent domain, either permanent or temporary, of all or any part of the Premises or any easement or appurtenance thereof, including severance and consequential damage and change in grade of streets, which said awards and compensation are hereby assigned to Mortgagee, and Mortgagor hereby designates Mortgagee as its agent and directs and empowers Mortgagee, at the option of the Mortgagee, on behalf of Mortgagor, or the successors or assigns of

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Mortgagor, to adjust or compromise the claim for any award and to collect and receive the proceeds thereof, to give proper receipts and acquittances therefor, and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Mortgagee, of the Indebtedness Hereby Secured, notwithstanding the fact that the amount owing thereon may then be due and payable or that the indebtedness is otherwise adequately secured, all subject to the provisions of Paragraph 10 hereof.

TO HAVE AND TO HOLD the Premises, with the appurtenances, and fixtures unto the Mortgagee, its successors and assigns, forever, for the purposes and upon the uses and purposes herein set forth together with all right to possession of the Premises after any default in the payment of all or any part of the Indebtedness Hereby Secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined; the Mortgagor hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Illinois.

PROVIDED, NEVERTHELESS, that if the Mortgagor shall pay when due the Indebtedness Hereby Secured and duly and timely perform and observe all of the terms, provisions, covenants and agreements herein provided to be performed and observed by the Mortgagor, then this Mortgage and the estate, right and interest of the Mortgagee in the Premises shall cease and become void and of no effect, otherwise to remain in full force and effect.

THE MORTGAGOR COVENANTS AND AGREES AS FOLLOWS:

Section 1. Payment of Indebtedness. The Mortgagor shall pay when due (a) the principal of and interest and premium, if any, on the indebtedness evidenced by the Note, and (b) all other Indebtedness Hereby Secured; and the Mortgagor shall duly and punctually perform and observe all of the terms, provisions, conditions, covenants and agreements on the Mortgagor's part to be performed and observed as provided herein and in the Note; and this Mortgage shall secure such payment, performance and observance.

Section 2. Maintenance, Repair, Restoration, Liens, etc. Mortgagor shall (a) promptly repair, restore or rebuild any building or improvement now or hereafter included within the definition of premises which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the Premises in good condition and repair, without waste, and free from mechanic's, materialmen's or like liens or claims or other liens or claims for lien; (c) pay, when due, any indebtedness which may be secured by a lien or charge on the Premises junior to the lien hereof and, upon request, exhibit to the Mortgagee satisfactory evidence of the discharge of such lien; (d) complete, within a reasonable time, any building or buildings or other improvements now or at any time in the

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process of erection upon the Premises; (e) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof; (f) make or permit no material alterations in the Premises except as required by law or ordinance without the prior written consent of the Mortgagee; (g) suffer or permit no change in the general nature of the occupancy of the Premises; (h) initiate or acquiesce in no zoning reclassification with respect to the Premises; (i) suffer or permit no unlawful use of, or nuisance to exist upon, the Premises, and (j) cause the Premises to be managed in a competent and professional manner.

Section 3. Other Liens. Except as otherwise expressly provided herein, Mortgagor, after the date hereof, shall not create or suffer to permit any mortgage, lien, charge or encumbrance to attach to the Premises which is superior to the lien granted herein.

Section 4. Taxes.

(a) The Mortgagor shall pay before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed against the Mortgagor, if applicable to the Premises or any interest therein, or the Indebtedness Hereby Secured, or any obligation or agreement secured hereby; and Mortgagor shall, upon written request, furnish to the Mortgagee duplicate receipts therefor.

(b) The Mortgagor shall pay in full under protest in the manner provided by statute, any Taxes which the Mortgagor may desire to contest; provided, however, that if determent of payment of any such Taxes is required to conduct any contest or review, the Mortgagor shall deposit with the Mortgagee the full amount thereof, together with an amount equal to the estimated interest and penalties thereon during the period of contest, and in any event, shall pay such Taxes, notwithstanding such contest, if in the opinion of the Mortgagee the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; and if the Mortgagor shall not pay the same when required to do so, the Mortgagee may do so and may apply such deposit for the purpose. In the event that any law or court decree has the effect of deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the Taxes or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of the Mortgagee in the Premises, or the manner of collection of Taxes, so as to affect this Mortgage or the Indebtedness Hereby Secured or the Mortgagee, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such Taxes, or reimburse the Mortgagee therefor on demand, unless such payment or reimbursement by Mortgagor is unlawful, in which event the Indebtedness Hereby Secured shall be

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due and payable within thirty (30) days after written demand by Mortgagee to Mortgagor. Nothing in this paragraph 4 contained shall require the Mortgagor to pay any income, franchise or excise tax imposed upon the Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes pertaining to the Premises, and then only in an amount computed as if the Mortgagee derived no income from any source other than its interest hereunder. Notwithstanding anything contained herein, the obligations and duties set forth in this Section 4(b) shall only be binding upon the Mortgagor if this Mortgage is the sole mortgage encumbering the Premises.

Section 5. Insurance Coverage. The Mortgagor at its own expense will insure and keep insured itself and all of the buildings and improvements now or hereafter included within the Premises, at commercially reasonable levels, and shall provide proof of such insurance to the Mortgagee.

Section 6. Restrictions on Transfer. It shall be an Event of Default hereunder if, without the prior written consent of the Mortgagee:

A. if the Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof or interest therein, including the equity of redemption, excepting only sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral, subject to the first and prior lien hereof, of at least equal value and utility; and

B. in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of this Paragraph 6 shall not apply to (i) liens securing the Indebtedness Hereby Secured, (ii) the lien of current taxes and assessments not in default, (iii) any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership, joint venture or membership interests, as the case may be, in the Mortgagor or any beneficiary of a trustee mortgagor by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee. The provisions of this Paragraph 6 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise shall

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acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, shares of stock of, or partnership or joint venture interest in, the Mortgagor or any beneficiary of a trustee mortgagor. Notwithstanding anything contained herein, any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or other alienation which is contemplated by or provided for in any prior recorded mortgage documents is expressly consented to by Mortgagee, but notice shall be immediately given to Mortgagee.

Section 7. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur:

- (a) If default be made and shall continue for five (5) business days in the due and punctual payment of the Note or any installment thereof, either principal or interest, as when the same is due and payable, or if default be made and shall continue to five (5) business days in the making of any payment of monies required to be made hereunder or under the Note; or
- (b) If an Event of Default pursuant to Section 6 hereof shall occur and be continuing without notice or period of grace of any kind; or
- (c) If (and for the purpose of this subsection (c) of this Section 7 only, the term Mortgagor shall mean and include not only Mortgagor but any beneficiary of a trustee mortgagor and each person who, as guarantor, co-maker or otherwise, shall be or become liable for or obligated upon all or any part of the Indebtedness Hereby Secured or any of the covenants or agreements contained herein),
 - (i) Mortgagor shall file a petition in voluntary bankruptcy under any chapter of the federal bankruptcy code, or any similar law for the relief of debtors, state or federal, now or hereafter in effect, or
 - (ii) Mortgagor shall file an answer admitting insolvency or inability to pay its debts, or
 - (iii) Within one hundred twenty (120) days after the filing against Mortgagor of any involuntary proceeding under the federal bankruptcy code or similar law for the relief of debtors, such proceedings shall not have been vacated or stayed, or
 - (iv) Mortgagor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for the Mortgagor for all or a material part of the Mortgagor's property or the Premises, in any involuntary proceeding, or any court shall have taken

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jurisdiction of all or the major part of the Mortgagor's property or the Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within one hundred twenty (120) days, or

(v) Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver of trustee or liquidator of all or a material part of its property, or the Premises; or

then the Mortgagee is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagee hereunder to declare, without further notice, all Indebtedness Hereby Secured to be immediately due and payable, whether or not such default be thereafter remedied by the Mortgagor, and the Mortgagee may immediately proceed to foreclose this Mortgage or to exercise any right, power or remedy provided by this Mortgage, the Note, the Assignments or by law or in equity conferred. Notwithstanding anything contained herein, all of the rights of Mortgagee as set forth in this Section 7 are subject to the rights of any mortgagees of any prior recorded mortgages.

Section 8. Possession by Mortgagee. Subject to the interests of any mortgagee with a prior recorded mortgage, when the Indebtedness Hereby Secured shall become due, whether by acceleration or otherwise, the Mortgagee, shall after filing a complaint, if applicable law permits, have the right to enter into and upon the Premises and take possession thereof or to appoint an agent or trustee for the collection of the rents, issues and profits of the Premises. The net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, may be applied to the payment of Taxes, insurance premiums and other charges applicable to the Premises, or in reduction of the Indebtedness Hereby Secured; and the rents, issues and profits of and from the Premises are hereby specifically pledged to the payment of the Indebtedness Hereby Secured.

Section 9. Foreclosure. When the Indebtedness Hereby Secured, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs and costs (which

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may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurance with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, shall be so much additional Indebtedness Hereby Secured and shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate until paid.

Section 10. Receiver. Subject to the rights of any mortgagee with a prior recorded mortgage, upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the Court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

- (a) The Indebtedness Hereby Secured or the indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or
- (b) The deficiency in case of a sale and deficiency.

Section 11. Proceeds of Foreclosure Sale. Subject to the interests of the any mortgagee with a prior recorded mortgage, the

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proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings;; Second, all other items which, under the terms hereof, constitute Indebtedness Hereby Secured additional to that evidenced by the Note, with interest on such items as herein provided; Third, to interest remaining unpaid upon the Note; Fourth, to the principal remaining unpaid upon the Note; and Fifth, any overage to the Mortgagor and its successors or assigns, as their rights may appear.

Section 12. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in rebuilding or restoring the buildings or improvements as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in such case made and provided, then in every such case, each and every successive redepton may cause the preceding loss clause attached to each casualty insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redepton. In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies without credit or allowance to Mortgagor for prepaid premiums thereon.

Section 13. Waiver. Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisement before sale of any portion of the premises, and (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or creating or extending a period of reinstatement or redemption from any sale made in collecting said debt. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, valuation, stay, extension, reinstatement or redemption, and Mortgagor, for Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the premises, to the extent permitted by law, hereby waives and releases all rights of reinstatement, redemption, valuation, appraisement, stay of execution, notice of

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election to mature or declare due the whole of the Indebtedness Hereby Secured and marshalling in the event of foreclosure of the liens hereby (and in the supplementary collateral) created. If any law referred to in this Section and now in force, of which Mortgagor, Mortgagor's heirs, devisees, successors and assigns or other person may take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Mortgagor expressly waives and relinquishes any and all rights and remedies which Mortgagor may have or be able to assert by reason of the laws of the State of Illinois pertaining to the rights and remedies of sureties. Without limiting the foregoing, but in addition thereto and in amplification thereof, the Mortgagor hereby expressly waives any and all rights of reinstatement or redemption from sale under any order, judgment, or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, excepting only decree or judgment creditors of the Mortgagor acquiring any interest in or title to the premises subsequent to the date thereof, it being the intent hereof that any and all such rights of redemption of the Mortgagor and all other persons are and shall be deemed to be hereby waived to the full extent permitted by applicable law.

Section 14. Assignment of Rents and Leases. Subject to the rights of any mortgagee with a prior recorded first mortgage, and without limiting the generality of any other provisions hereof, as additional security, Mortgagor hereby assigns to Mortgagee the rents, issues and profits of the Premises, and upon the occurrence of any Event of Default Mortgagee may receive and collect said rents, issues and profits so long as such Event of Default shall exist and during the pendency of any foreclosure proceedings. As of the date of this Mortgage, as additional security, Mortgagor also hereby assigns to Mortgagee any and all written and oral leases whether now in existence or which may hereafter come into existence during the term of this Mortgage, or any extension hereof, and the rents thereunder covering the Premises or any portion thereof. The collection of rents by Mortgagee pursuant to this Section shall in no way waive the right of Mortgagee to foreclose this Mortgage in the event of any Event of Default. Notwithstanding the foregoing, until a notice in writing is sent to Mortgagor stating that an Event of Default or any event of condition that with notice or passage of time or both might become an Event of Default has occurred under the terms and conditions of this Mortgage (a "Notice"), Mortgagor may receive, collect and enjoy the lease payments, rents, income, and profits accruing from the Premises (the "Rents"). Mortgagee may, after service of a Notice, receive and collect the Rents as they become due. Mortgagee may thereafter continue to receive and collect all such Rents as long as such Event of Default shall exist and during the pendency of any foreclosure proceedings.

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Mortgagor hereby appoints Mortgagee its true and lawful attorney, which appointment is irrevocable and coupled with an interest, with full power of substitution and with full power for Mortgagee in its own name and capacity or in the name and capacity of Mortgagor, from and after the service of a Notice (with or without taking possession of the Premises), to demand, collect, receive, and give complete acquittance for any and all Rents and at Mortgagee's discretion to file any claim or take any other action or proceeding and make any settlement of any claims, either in its own name or in the name of Mortgagor or otherwise, that Mortgagor may deem necessary or desirable in order to collect or enforce the payment of the Rents. Lessees and tenants of the Premises are hereby expressly authorized and directed to pay any and all rents due Mortgagor to Mortgagee or such nominee as Mortgagee may designate in writing delivered to and received by such lessees and tenants, who are expressly relieved of any and all duty, liability or obligation to Mortgagor in respect of all payments so made.

From and after the service of a Notice, Mortgagee is hereby vested with full power to use all measures, legal and equitable, it may deem necessary or proper to enforce this assignment and to collect the Rents, including without limitation the right of Mortgagee or its designee to enter upon the Premises, or any part thereof, with or without process of law, take possession of all or any part of the Premises and all personal property, fixtures, documents, books, records, papers, and accounts of Mortgagor relating thereto, and exclude Mortgagor and its agents and servants wholly therefrom. Mortgagor hereby grants full power and authority to Mortgagee to exercise all rights, privileges, and powers herein granted to any and all times after service of a Notice, without further notice to Mortgagor, with full power to use and apply all of the Rents to the payment of the costs of managing and operating the Premises and of the Indebtedness Hereby Secured in such order as Mortgagee shall determine. Mortgagee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of Mortgagor as landlord or as lessor, and does not assume any of the liabilities in connection with or arising or growing out of the covenants and agreements of Mortgagor in the leases or otherwise. This assignment shall not place responsibility for the control, care, management, or repair of the Premises or parts thereof, upon Mortgagee, nor shall it make Mortgagee liable for the performance of any of the terms and conditions of any of the leases, for any waste of the Premises by lessee under any of the leases or any other person, for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of the Premises resulting in loss, injury, or death to any lessee, licensee, employee, or stranger.

In the exercise of the powers herein granted to Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

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The assignment contained in this Section is given as collateral security and the execution and delivery hereof shall not in any way impair or diminish the obligations of Mortgagor, nor shall this assignment impose any obligation on Mortgagee to perform any provision of any contract pertaining to the Premises or any responsibility for the non-performance thereof by Mortgagor or any other person. The assignment under this Section is given as a primary pledge and assignment of the rights described herein and such assignment shall not be deemed secondary to the security interest and mortgage of Mortgagee in the Premises. Mortgagee shall have the right to exercise any rights under this Section before, together with, or after exercising any other rights under this Mortgage. Nothing herein contained shall be deemed to obligate Mortgagee to perform or discharge any obligation, duty, or liability of Mortgagor under this assignment, and Mortgagor shall and does hereby indemnify and hold Mortgagee harmless from any and all costs (including without limitation attorneys' fees, legal costs and expenses, and time charges of attorneys who may be employees of Mortgagee whether in or out of court, in original or appellate proceedings or in bankruptcy), liability, loss, or damage which Mortgagee may or might incur by reason of this assignment; and any and all such costs, liability, loss, or damage incurred by Mortgagee (whether successful or not), shall be the Liabilities hereby secured, and Mortgagor shall reimburse Mortgagee therefor on demand, together with interest at the "Default Rate" (as such term is defined in the Note) from the date of demand to the date of payment.

Section 15. Mortgagee in Possession. Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises.

Section 16. Mortgagor's Successors. In the event that the ownership of the Premises becomes vested in a person or persons other than the Mortgagor, the Mortgagee may, without notice to the Mortgagor, deal with such successor or successors in interest of the Mortgagor with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with the Mortgagor. The Mortgagor will give immediate written notice to the Mortgagee of any conveyance, transfer or change of ownership of the Premises, but nothing in this Paragraph shall vary or negate the provisions of Paragraph 19 hereof.

Section 17. Rights Cumulative. Each right, power and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed

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expedient to the Mortgagee and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

Section 18. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of the Mortgagee and its successors and assigns. Wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and each such from-time-to-time holder of the Note, whether so expressed or not, shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from-time-to-time holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated the Mortgagee.

Section 19. Provisions Severable. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

Section 20. Waiver of Defense. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid to the party interposing the same in an action at law upon the Note.

Section 21. Time of the Essence. Time is of the essence of the Note, this Mortgage, the Assignments and any other document evidencing or securing the Indebtedness Hereby Secured.

Section 22. Notices. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by another, or whenever any of the parties desires to give or serve upon another such communication with respect to this instrument, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing, addressed as follows:

Mortgagor:

2440 N. Orchard LLC
1137 W. Webster

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Chicago, Illinois 60614

Mortgagee:

Paul Janowitz

or at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly given or served (i) on the date on which personally delivered, in person, by hand delivery, or by commercial courier service, with receipt acknowledged, (ii) on the date of telecopy transmission and deposit of written confirmation thereof in the United States mail, postage prepaid, registered or certified, return receipt requested, or (iii) three (3) business days after the same shall have been deposited with the United States mail, postage prepaid, registered or certified, return receipt requested.

Section 23. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine feminine and neuter shall be freely interchangeable.

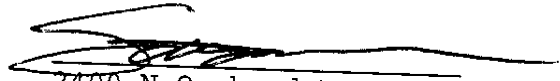
Section 24. Applicable Law. This Mortgage shall be governed by the laws of the State of Illinois and the United States and shall be binding upon Mortgagor, its successors and assigns and shall inure to the benefit of the Mortgagee, its successors and assigns.

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IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage, Assignment of Rents and Security Agreement to be duly signed, sealed and delivered the day and year first above written.

MORTGAGOR:

A handwritten signature in black ink, appearing to be a stylized name, written over a horizontal line.

2400 N Orchard LLC

By:

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STATE OF ILLINOIS)
COUNTY OF COOK) SS

I, DIANA BISSIC, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY THAT STEPH M. HARRIS, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that in such capacity they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

~~GIVEN~~ under my hand and official notarial seal this 2ND day of APRIL, 2009.

My commission expires:

5/16/12

Diana Bissic
Notary Public



Property of Cook County Clerk's Office

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Exhibit A
Legal Description

LOTS 112 AND 111 (EXCEPT THE SOUTH 12 1/2 FEET THEREOF) IN DAVIS' SUBDIVISION OF THE SOUTH 836 FEET OF SUB-LOT "F" IN WRIGHTWOOD, BEING A SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Also known as: 2440 N. Orchard, Chicago, IL 60614

Permanent Tax No.: 14-28-312-064-0000

Property of Cook County Clerk's Office