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1999-12-28 11:11:01
Cook County Recorder 53.00



This instrument prepared by and when recorded, return to:

Bank One, N.A.
1048 Lake St.
Oak Park, Illinois 60301
E. Gavas ILI-2489

MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

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This Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (hereinafter called "Mortgage") is made as of the 15th day of December, 1999, by American National Bank and Trust Company of Chicago, whose address is 120 S. LaSalle St., Chicago, Illinois, not personally but as trustee of Trust No. 301061-08 dated March 15, 1999 ("Trustee") and Charles A. Kam, whose address is 3821 N. Cicero, Chicago ("Beneficiary"), hereinafter collectively called "Mortgagor," and BANK ONE, N.A., a national banking association, with its main office in Chicago, Illinois, whose address is 1 Bank One Plaza, Chicago, Illinois 60670, Attention: Midwestern Region Real Estate, Department ILI-2519, hereinafter called "Mortgagee."

WITNESSETH:

SECTION 1. GRANTING CLAUSE; WARRANTY OF TITLE

1.1 Mortgagor hereby mortgages, grants, assigns, remises, releases, conveys and warrants to Mortgagee, all of Mortgagor's present and future estate, right, title and interest in and to that real property and all buildings and other improvements now thereon or hereafter constructed thereon (the "Premises"), in the County of Cook, State of Illinois, described on Schedule "A" attached hereto and by this reference made a part hereof, together with all of the following which, with the Premises (except where the context otherwise requires), are hereinafter collectively called the "Mortgaged Property":

- (a) All appurtenances in and to the Premises;
- (b) All water and water rights, ditches and ditch rights, reservoir and reservoir rights, stock or interests in irrigation or ditch companies, minerals, oil and gas rights, royalties, lease or leasehold interests owned by Mortgagor, now or hereafter used or useful in connection with, appurtenant to or related to the Premises;
- (c) All right, title and interest of Mortgagor now owned or hereafter acquired in and to all streets, roads, alleys and public places, and all easements and rights of way, public or private, now or hereafter used in connection with the Premises;
- (d) All machinery, equipment, fixtures and materials now or at any time attached to the Premises together with all processing, manufacturing and service equipment and other personal property now or at any time hereafter located on or appurtenant to the Premises and used in connection with the management and operation thereof;
- (e) Any licenses, contracts, permits and agreements required or used in connection with the ownership, operation or maintenance of the Premises, and the right to the use of any tradename, trademark, or service mark now or hereafter associated with the operation of any business conducted on the Premises;
- (f) Any and all insurance proceeds, and any and all awards, including interest, previously and hereafter made to Mortgagor for taking by eminent domain of the whole or any part of the Premises or any easements therein;
- (g) Subject to the rights of Mortgagee under Section 3 hereof, all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or any portion of the Premises and all income, receipts, revenues, rents, issues and profits arising from the use or enjoyment of all or any portion of the Premises.

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1.2 Mortgagor warrants that it is well and truly seized of a good and marketable title in fee simple to the Premises, that it is the lawful owner of the rest of the Mortgaged Property, and that, except for those matters approved by Mortgagee and specifically described on Schedule B to the title insurance policy insuring this Mortgage, other than standard exceptions set forth therein (hereinafter called the "Permitted Exceptions"), the title to all the Mortgaged Property is clear, free and unencumbered; Mortgagor shall forever warrant and defend the same unto Mortgagee, its successors and assigns, against all claims whatsoever.

TRUSTEE FURTHER REPRESENTS AND BENEFICIARY FURTHER REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS

SECTION 2. OBLIGATION SECURED

This Mortgage is given for the purpose of securing, in such order of priority as Mortgagee may elect:

2.1 Payment of the sum of ONE MILLION THREE HUNDRED FORTY-EIGHT THOUSAND SEVEN HUNDRED TEN AND NO/100 DOLLARS (\$1,348,710.00), which may include, without limitation, future advances of principal made after the date hereof, with interest thereon, extension and other fees, late charges, prepayment premiums and attorneys' fees, according to the terms of that Promissory Note of even date herewith, made by Mortgagor, payable to the order of Mortgagee, and all extensions, modifications, renewals, restatements, refinancings or replacements thereof (hereinafter called the "Note"). The Note may bear interest at a variable rate in accordance with the terms and provisions thereof which are by this reference incorporated herein;

2.2 Payment, performance and observance by Mortgagor of each covenant, condition, provision and agreement contained herein and of all monies expended or advanced by Mortgagee pursuant to the terms hereof, or to preserve any right of Mortgagee hereunder, or to protect or preserve the Mortgaged Property or any part thereof;

2.3 Payment, performance and observance by Mortgagor of each covenant, condition, provision and agreement contained in that Loan Agreement of even date herewith, by and between Mortgagor and Mortgagee (hereinafter called the "Loan Agreement") that Environmental Indemnity Agreement of even date herewith (hereinafter called the "Environmental Indemnity Agreement") and in any other document or instrument related to the indebtedness hereby secured and of all monies expended or advanced by Mortgagee pursuant to the terms thereof or to preserve any right of Mortgagee thereunder;

2.4 Payment of any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of Mortgagor to Mortgagee arising under or in connection with any transaction (including an agreement with respect thereto) now existing or hereafter entered into between Mortgagor and Mortgagee which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

2.5 Payment of any and all additional loans and advances made by Mortgagee to Mortgagor and/or to the then record owner or owners of the Mortgaged Property, and any other indebtedness or obligation of Mortgagor and/or the then record owner or owners of the Mortgaged Property to Mortgagee of any kind, direct or indirect (excluding, however, any such loan to, or indebtedness or obligation of, an individual for personal, family or household purposes) with interest thereon, late charges, extension and other fees, prepayment premiums and attorneys' fees, according to the terms of the promissory note(s), credit agreement(s) and/or guarantees evidencing such loans, advances, indebtedness and obligations, and all extensions, modifications, renewals or replacements thereof.

All of the indebtedness and obligations secured by this Mortgage are hereinafter collectively called the "Obligation." The Obligation shall in no event exceed an amount equal to FOUR MILLION FORTY-SIX THOUSAND ONE HUNDRED THIRTY AND NO/100 DOLLARS (\$4,046,130.00).

The Note evidences a debt or debts created by one or more disbursements made by Mortgagee to Mortgagor for the purpose of financing costs in connection with the Premises, including costs of construction of the improvements to be located on the Premises. All disbursements shall be made in accordance with the terms and provisions of the Loan Agreement, as the same from time to time may be amended, supplemented or modified and the terms and conditions of which are hereby incorporated

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herein by reference. A true copy of the Loan Agreement may be reviewed at the offices of Mortgagee during its regular business hours or may be obtained from Mortgagee, in either case, upon reasonable advance request.

Mortgagor understands and agrees (i) that the Obligation consists not only of existing indebtedness but also future advances made within twenty (20) years from the date hereof to the same extent as if such future advances were made at the time of the execution of this Mortgage and (ii) that the total amount of the Obligation may increase or decrease from time to time, it being further understood and agreed by Mortgagor that it is the intent of the parties hereto that this Mortgage be in compliance with the terms and conditions of 205 ILCS 5/5d.

SECTION 3. LEASES; ASSIGNMENT OF RENTS AND LEASES

3.1 Mortgagor hereby absolutely transfers and assigns to Mortgagee all right, title and interest of Mortgagor in and to (i) all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or any part of the Mortgaged Property, whether written or oral and whether for a definite term or month to month, including but not limited to those described on Schedule "B" attached hereto and by this reference made a part hereof, together with all guarantees of the lessee's obligations thereunder and together with all extensions, modifications and renewals thereof (hereinafter called the "Leases"), and (ii) all income, receipts, revenues, rents, issues and profits now or hereafter arising from or out of the Leases or from or out of the Mortgaged Property or any part thereof, including without limitation room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, parking and maintenance charges and fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation premiums, claims for damages arising from any breach of the Leases, proceeds from any sale or other disposition of all or any portion of the Mortgaged Property, and all other benefits arising from the use or enjoyment of, or the lease, sale or other disposition of, all or any portion of the Mortgaged Property, together with the immediate and continuing right to receive all of the foregoing (hereinafter called the "Rents"). In furtherance of this Assignment, and not in lieu hereof, Mortgagee may require a separate assignment of rents and leases and/or separate specific assignments of rents and leases covering one or more of the Leases; the terms of all such assignments are incorporated herein by reference.

3.2 Mortgagor hereby authorizes and directs the lessees and tenants under the Leases that, upon written notice from Mortgagee, all Rents shall be paid directly to Mortgagee as they become due. Mortgagor hereby relieves the lessees and tenants from any liability to Mortgagor by reason of the payment of the Rents to Mortgagee. Nevertheless, Mortgagor shall be entitled to collect the Rents, but for no more than thirty (30) days in advance, until Mortgagee notifies the lessees and tenants in writing to pay the Rents to Mortgagee. Mortgagee is hereby authorized to give such notification upon the occurrence of an Event of Default and at any time thereafter while such Event of Default is continuing. Receipt and application of the Rents by Mortgagee shall not constitute a waiver of any right of Mortgagee under this Mortgage or applicable law, shall not cure any Event of Default hereunder, and shall not invalidate or affect any act done in connection with such Event of Default, including, without limitation, any foreclosure proceeding.

3.3 All Rents collected by Mortgagor shall be applied in the following manner:

First, to the payment of all taxes and lien assessments levied against the Mortgaged Property, where provision for paying such is not otherwise made;

Second, to the payment of ground rents (if any) payable with respect to the Mortgaged Property;

Third, to the payment of any amounts due and owing under the Obligation;

Fourth, to the payment of current operating costs and expenses (including repairs, maintenance and necessary acquisitions of property and expenditures for capital improvements) arising in connection with the Mortgaged Property;

Fifth, to Mortgagor or its designee.

All Rents collected by Mortgagee may be applied to the items above listed in any manner that Mortgagee deems advisable and without regard to the aforesaid priorities.

3.4 Trustee represents and Beneficiary represents and warrants that: (i) the Leases are in full force and effect and have not been modified or amended; (ii) the Rents have not been waived, discounted, compromised, setoff or paid more than one month in advance; (iii) there are no other assignments, transfers, pledges or encumbrances on the Leases or Rents; and (iv) neither Mortgagor nor the lessees and tenants are in default under the Leases.

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3.5 Mortgagor shall (i) fulfill or perform each and every term, covenant and provision of the Leases to be fulfilled or performed by the lessor thereunder; (ii) give prompt notice to Mortgagee of any notice received by Mortgagor of default thereunder or of any alleged default or failure of performance that could become a default thereunder, together with a complete copy of any such notice; and (iii) enforce, short of termination thereof, the performance or observance of each and every term, covenant and provision of each Lease to be performed or observed by the lessees and tenants thereunder.

3.6 Mortgagor, without the prior written consent of Mortgagee, shall not: (i) cancel, modify or alter, or accept the surrender of, any Lease; (ii) assign, transfer, pledge or encumber, the whole or any part of the Leases and Rents to anyone other than Mortgagee; (iii) accept any Rents more than one month in advance of the accrual thereof; (iv) do or permit anything to be done, the doing of which, or omit or refrain from doing anything, the omission of which, could be a breach or default under the terms of any Lease or a basis for termination thereof; or (v) enter in to any new tenant leases.

3.7 Mortgagee does not assume and shall not be liable for any obligation of the lessor under any of the Leases and all such obligations shall continue to rest upon Mortgagor as though this assignment had not been made. Mortgagee shall not be liable for the failure or inability to collect any Rents.

3.8 Neither the Assignment of Rents and Leases contained herein or in any separate assignment nor the exercise by Mortgagee of any of its rights or remedies thereunder or in connection therewith, prior to Mortgagee obtaining actual possession of the Mortgaged Property as provided in Paragraph 8.2 hereof, shall constitute Mortgagee a "mortgagee in possession" or otherwise make Mortgagee responsible or liable in any manner with respect to the Mortgaged Property or the occupancy, operation or use thereof. In the event Mortgagee obtains actual possession of the Mortgaged Property as provided in Paragraph 8.2 hereof, Mortgagee shall have the rights, and Mortgagee's liability shall be limited, as provided in that Paragraph.

SECTION 4. SECURITY AGREEMENT

4.1 This Mortgage shall cover, and the Mortgaged Property shall include, all property now or hereafter affixed or attached to or incorporated upon the Premises, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Premises. To the extent any of the Mortgaged Property consists of rights in action or personal property covered by the Uniform Commercial Code as enacted in Illinois, this Mortgage shall also constitute a security agreement, and Mortgagor hereby grants to Mortgagee, as secured party, a security interest in such property, including all products and proceeds thereof, for the purpose of securing the Obligation. In addition, for the purpose of securing the Obligation, Mortgagor hereby grants to Mortgagee, as secured party, a security interest in all of the property described below in, to, or under which Mortgagor now has or hereafter acquires any right, title or interest, whether present, future, or contingent: all equipment, inventory, accounts, general intangibles, instruments, documents, and chattel paper, as those terms are defined in the Uniform Commercial Code, and all other personal property of any kind (including without limitation money and rights to the payment of money), whether now existing or hereafter created, that are now or at any time hereafter (i) in the possession or control of Mortgagee in any capacity; (ii) erected upon, attached to, or appurtenant to, the Premises; (iii) located or used on the Premises or identified for use on the Premises (whether stored on the Premises or elsewhere); or (iv) used in connection with, arising from, related to, or associated with the Premises or any of the personal property described herein, the construction of any improvements on the Premises, the ownership, development, maintenance, leasing, management, or operation of the Premises, the use or enjoyment of the Premises, or the operation of any business conducted on the Premises; including without limitation all such property more particularly described as follows:

(a) Buildings, structures and improvements, and building materials, fixtures and equipment to be incorporated into any buildings, structures or improvements;

(b) Goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, including without limitation, all such items used for (i) generation, storage or transmission of air, water, heat, steam, electricity, light, fuel, refrigeration or sound; (ii) ventilation, air-conditioning, heating, refrigeration, fire prevention and protection, sanitation, drainage, cleaning, transportation, communications, maintenance or recreation; (iii) removal of dust, refuse, garbage or snow; (iv) transmission, storage, processing or retrieval of information; and (v) floor, wall, ceiling and window coverings and decorations;

(c) Income, receipts, revenues, rents, issues and profits, including without limitation, room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, parking and maintenance charges and fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation premiums, and claims for damages arising from the breach of any leases;

09198633

(d) Water and water rights, ditches and ditch rights, reservoirs and reservoir rights, stock or interest in irrigation or ditch companies, minerals, oil and gas rights, royalties, and lease or leasehold interests;

(e) Plans and specifications prepared for the construction of any improvements, including without limitation, all studies, estimates, data, and drawings;

(f) Documents, instruments and agreements relating to, or in any way connected with, the operation, control or development of the Premises, including without limitation, any declaration of covenants, conditions and restrictions and any articles of incorporation, bylaws and other membership documents of any property owners association or similar group;

(g) Claims and causes of action, legal and equitable, in any form whether arising in contract or in tort, and awards, payments and proceeds due or to become due, including without limitation those arising on account of any loss of, damage to, taking of, or diminution in value of, all or any part of the Premises or any personal property described herein;

(h) Sales agreements, escrow agreements, deposit receipts, and other documents and agreements for the sale or other disposition of all or any part of the Premises or any of the personal property described herein, and deposits, proceeds and benefits arising from the sale or other disposition of all or any part of the Premises or any of the personal property described herein;

(i) Policies or certificates of insurance, contracts, agreements or rights of indemnification, guaranty or surety, and awards, loss payments, proceeds, and premium refunds that may be payable with respect to such policies, certificates, contracts, agreements or rights;

(j) Contracts, agreements, permits, licenses, authorizations and certificates, including without limitation all architectural contracts, construction contracts, management contracts, service contracts, maintenance contracts, franchise agreements, license agreements, building permits and operating licenses;

(k) Trade names, trademarks, and service marks (subject to any franchise or license agreements relating thereto);

(l) Refunds and deposits due or to become due from any utility companies or governmental agencies;

(m) Replacements and substitutions for, modifications of, and supplements, accessions, addenda and additions to, all of the personal property described herein;

(n) Books, records, correspondence, files and electronic media, and all information stored therein;

together with all products and proceeds of all of the foregoing, in any form, including all proceeds received, due or to become due from any sale, exchange or other disposition thereof, whether such proceeds are cash or non-cash in nature, and whether represented by checks, drafts, notes or other instruments for the payment of money. The personal property described or referred to in this Paragraph 4.1 is hereinafter called the "Personal Property." The security interests granted in this Paragraph 4.1 are hereinafter severally and collectively called the "Security Interest."

4.b The Security Interest shall be self-operative with respect to the Personal Property, but Mortgagor shall execute and deliver on demand such additional security agreements, financing statements and other instruments as may be requested in order to impose the Security Interest more specifically upon the Personal Property. In addition, Mortgagor authorizes Mortgagee at the expense of Mortgagor to execute on its behalf and file such financing statement in those public offices as deemed necessary by Mortgagee to perfect its security interest. Such financing statements may be signed by Mortgagee alone. The Security Interest, at all times, shall be prior to any other interests in the Personal Property except any lien or security interest granted in connection with any Permitted Exception. Mortgagor shall act and perform as necessary and shall execute and file all security agreements, financing statements, continuation statements and other documents requested by Mortgagee to establish, maintain and continue the perfected Security Interest. Mortgagor, on demand, shall promptly pay all costs and expenses of filing and recording, including the costs of any searches, deemed necessary by Mortgagee from time to time to establish and determine the validity and the continuing priority of the Security Interest.

4.c Mortgagor shall not sell, transfer, assign or otherwise dispose of any Personal Property or any interest therein without obtaining the prior written consent of Mortgagee, except Personal Property that Mortgagor is obliged to replace pursuant to the terms hereof. Unless Mortgagee then agrees otherwise in writing, all proceeds from any permitted sale or disposition in excess of that required for replacements shall be paid to Mortgagee to be applied to the Obligation, whether or not then due. Mortgagor shall keep the Personal Property free of all security interests or other encumbrances, except the Security Interest and any security

09198633

interests and encumbrances granted in connection with any Permitted Exception. Although proceeds of Personal Property are covered hereby, this shall not be construed to mean that Mortgagee consents to any sale of the Personal Property.

4. d Mortgageor shall keep and maintain the Personal Property in good condition and repair, and shall promptly replace any part thereof that from time to time may become obsolete, badly worn or in a state of disrepair. All such replacements shall be free of any other security interest or encumbrance, except any security interest or encumbrance granted in connection with any Permitted Exception.

4. e Except for purposes of replacement and repair, Mortgageor, without the prior written consent of Mortgagee, shall not remove, or permit the removal of, any Personal Property from the Premises.

4. f Beneficiary hereby warrants, covenants and agrees that: (i) the Personal Property is or will be used primarily for business (other than farm) purposes; (ii) the Personal Property will be kept at the Premises; and (iii) Mortgageor's records concerning the Personal Property will be kept at Mortgageor's address as set forth in the beginning of this Mortgage.

4. g Trustee represents and Beneficiary represents and warrants that (i) the name specified above for Mortgageor is the true and correct legal name of Mortgageor, and (ii) the address specified above is the address of Mortgageor's chief executive office (or residence if Mortgageor is an individual without an office). Mortgageor shall give Mortgagee immediate written notice of any change in the location of: (i) Mortgageor's chief executive office (or residence if Mortgageor is an individual without an office), as set forth in the beginning of this Mortgage; (ii) the Personal Property or any part thereof; or (iii) Mortgageor's records concerning the Personal Property. Mortgageor shall give Mortgagee immediate written notice of any change in the name, identity or structure of Mortgageor.

4. h All covenants and warranties of Mortgageor contained in this Mortgage shall apply to the Personal Property whether or not expressly referred to in this Section 4. The covenants and warranties of Mortgageor contained in this Section 4 are in addition to, and not in limitation of, those contained in the other provisions of this Mortgage.

4. i Upon its recording in the real property records, this Mortgage shall be effective as a financing statement filed as a fixture filing. In addition, a carbon, photographic or other reproduced copy of this Mortgage and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.

4. j This Mortgage is a "construction mortgage" as defined in the Uniform Commercial Code as enacted in Illinois.

SECTION 5. PROTECTION AND PRESERVATION OF THE MORTGAGED PROPERTY

5.1 Mortgageor shall neither commit nor permit to occur any waste upon the Mortgaged Property but shall at all times make or cause to be made all repairs, maintenance, renewals and replacements as may be necessary to maintain the Mortgaged Property in good condition and repair. Mortgageor shall keep the Mortgaged Property free of termites, dry rot, fungus, beetles and all other harmful or destructive insects and shall keep all plants, trees and shrubs included in the Mortgaged Property neatly pruned and in good condition. Mortgageor shall keep the Mortgaged Property free of rubbish and other unsightly or unhealthful conditions. Mortgageor shall neither use nor permit the use of the Mortgaged Property in violation of any applicable statute, ordinance or regulation, including, without limitation, the Americans With Disabilities Act of 1990 and corresponding rules and regulations (the "ADA"), or any policy of insurance insuring the Mortgaged Property.

5.2 Mortgageor shall promptly complete any improvements that may be commenced, in good and workmanlike manner and in conformity with the ADA and with plans and specifications approved by Mortgagee. Mortgageor shall repair and restore, in conformity with the ADA, any portions of the Mortgaged Property that may be damaged or destroyed. Mortgageor shall pay when due all claims for work performed and materials furnished on or in connection with the Mortgaged Property or any part thereof and shall pay, discharge, or cause to be removed, all mechanic's, artisan's, laborer's or materialman's charges, liens, claims of liens or encumbrances upon the Mortgaged Property. Mortgageor shall comply with all laws, ordinances and regulations now or hereafter enacted, including, without limitation, the ADA, affecting the Mortgaged Property or requiring any alterations or improvements to be made. Except as required by law, Mortgageor shall not remove, substantially alter, or demolish any building or improvement included in the Mortgaged Property without Mortgagee's prior written consent.

5.3 (a) Mortgageor shall provide and maintain policies of fire and extended coverage insurance on the Mortgaged Property as required in the Loan Agreement. Mortgageor shall also provide and maintain comprehensive public liability insurance as required in the Loan Agreement.

09198633

(b) In the event of loss, Mortgagor shall give immediate notice to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagor. Each insurance company is hereby authorized and directed to make payment for loss directly to Mortgagee, instead of to Mortgagor or to Mortgagor and Mortgagee jointly; Mortgagee may apply all or any part of such insurance proceeds to the payment of the Obligation, whether or not then due, or the restoration or repair of the Mortgaged Property. Mortgagee shall not be responsible for any insurance, for the collection of any insurance proceeds, or for the insolvency of any insurer. Application of insurance proceeds by Mortgagee shall not cure nor waive any Event of Default nor invalidate any act done hereunder because of any such Event of Default. In the event of the sale of the Mortgaged Property upon foreclosure of this Mortgage, or in the event Mortgagee or a receiver appointed by the court shall take possession of the Mortgaged Property without sale, then all right, title and interest of Mortgagor in and to all insurance policies then in force shall inure to the benefit of and pass to the mortgagee in possession, receiver or purchaser at such sale, as the case may be. Mortgagee is hereby appointed attorney in fact for Mortgagor to assign and transfer such policies. The power of attorney given herein is a power coupled with an interest and shall be irrevocable so long as any part of the Obligation remains unpaid or unperformed. Mortgagee shall have no obligation to exercise any of the foregoing rights and powers in any event.

(c) If the insurance proceeds are to be used for the restoration and repair of the Mortgaged Property, they shall be held by Mortgagee in a non-interest bearing account selected by Mortgagee in its sole and absolute discretion (the "Restoration Account"). Mortgagor, at its expense, shall promptly prepare and submit to Mortgagee all plans and specifications necessary for the restoration and repair of the damaged Mortgaged Property, together with evidence acceptable to Mortgagee setting forth the total expenditure needed for the restoration and repair based upon a fixed price contract with a reputable builder and covered by performance and labor and material payment bonds. The plans and specifications and all other aspects of the proposed restoration and repair shall be subject to Mortgagee's approval. In the event the insurance proceeds held in the Restoration Account are insufficient to complete the restoration and repair, Mortgagor shall deposit in the Restoration Account an amount equal to the difference between the amount then held in the Restoration Account and the total contract price for the restoration and repair. Mortgagor may commence restoration and repair of the damaged Mortgaged Property only when authorized in writing by Mortgagee to do so and thereafter shall proceed diligently with the restoration and repair until completed. Disbursements shall be made from the Restoration Account for the restoration and repair in accordance with a disbursement schedule, and subject to other terms and conditions, acceptable to Mortgagee. Disbursements from the Restoration Account shall be charged first against funds deposited by Mortgagor and, after such funds are exhausted, against the insurance proceeds deposited therein. In the event the amounts held in the Restoration Account exceed the cost of the restoration and repair of the damaged Mortgaged Property, the excess funds shall be disbursed to Mortgagor to the extent of any amounts deposited therein by Mortgagor. Any funds remaining after such disbursement, at Mortgagee's option, may be applied by Mortgagee to the payment of the Obligation, whether or not then due, or may be disbursed to Mortgagor. All funds held in the Restoration Account are hereby assigned to Mortgagee as further security for the Obligation. Mortgagee, at any time, may apply all or any part of the funds held in the Restoration Account to the curing of any Event of Default.

5.4 Mortgagor shall pay or cause to be paid all taxes and assessments of every kind, nature and description levied or assessed on or against the Mortgaged Property and shall deliver to Mortgagee, at least ten (10) days before they become delinquent, receipts showing payment of all such taxes and assessments and shall pay when due all dues and charges for water and water delivery, electricity, gas, sewers, waste removal, bills for repairs, and any and all other claims, encumbrances and expenses incident to the ownership of the Mortgaged Property. Mortgagor may contest in good faith the validity or amount of any tax, assessment, charge or encumbrance in the manner provided by law, provided that Mortgagor shall have furnished Mortgagee a cash deposit or other security in an amount and form satisfactory to Mortgagee to protect Mortgagee against the creation of any lien on, or any sale or forfeiture of, the Mortgaged Property. Upon the final determination of Mortgagor's contest, Mortgagor shall promptly pay all sums determined to be due. Any deposit or security provided by Mortgagor shall be returned to Mortgagor upon the final determination of Mortgagor's contest and the payment by Mortgagor of the sums, if any, determined to be due.

5.5 Mortgagee may contest, by appropriate legal proceedings, the validity of any valuation for real or personal property tax purposes or of any levy or assessment of any real or personal property taxes against the Mortgaged Property either in the name of Mortgagee or the name of Mortgagor or both. Mortgagor, upon notice and request by Mortgagee, shall join in any such proceedings. Mortgagor shall cooperate with Mortgagee in any such proceeding and execute any documents or pleadings required for such purposes. Mortgagor shall provide Mortgagee with a copy of the notice of such valuation, levy or assessment within ten (10) days after receipt (five (5) days in the case of personal property). Mortgagor shall reimburse Mortgagee for all costs and legal expenses incurred by Mortgagee in connection with any such proceedings, but in no event shall such reimbursement exceed the tax savings achieved for the period covered by the notice of such valuation, levy or assessment. To facilitate the right of Mortgagee to contest any real or personal property tax valuation, levy, or assessment as described above, Mortgagor does hereby make, constitute and appoint Mortgagee, and its successors and assigns, Mortgagor's true and lawful

09198633

attorney-in-fact, in Mortgagor's name, place and stead, or otherwise, to file any claim or proceeding or to take any action, either in its own name, in that of its nominee, in the name of Mortgagor, or otherwise, to contest any real or personal property tax valuation, levy, or assessment. The power of attorney given herein is a power coupled with an interest and shall be irrevocable so long as any part of the Obligation remains unpaid or unperformed. Mortgagee shall have no obligation to exercise any of the foregoing rights and powers in any event.

5.6 In order to insure the payment of taxes and assessments that are now, or hereafter may be, a lien upon the Mortgaged Property, and to insure the payment of all premiums on policies of insurance required herein, Mortgagor, if required by Mortgagee after the occurrence of any Event of Default or any failure to pay taxes, assessments or insurance premiums as required herein, shall pay to Mortgagee each month, in addition to any other payments required hereunder, an amount equal to the taxes and special assessments levied or to be levied against the Mortgaged Property and the premium or premiums that will become due and payable to maintain the insurance on the Mortgaged Property, all as reasonably estimated by Mortgagee (giving due consideration to the previous year's taxes, assessments and premiums) less all deposits therefore already made, divided by the number of months remaining before one month prior to the date when the taxes, assessments and premiums become delinquent. If amounts paid to Mortgagee under the terms of this paragraph are insufficient to pay all taxes, assessments and premiums as they become due, Mortgagor shall pay to Mortgagee upon demand all additional sums necessary to fully pay and discharge these items. All moneys paid to Mortgagee under the terms of this paragraph may be either held by Mortgagee to pay the taxes, assessments and premiums before the same become delinquent or applied to the Obligation upon payment by Mortgagee from its own funds of the taxes, assessments and premiums. To the extent provision is not made for payment pursuant to this paragraph, Mortgagor shall remain obligated to pay all taxes, assessments and premiums as they become due and payable. Deposits made under this paragraph may be commingled with Mortgagee's general funds; Mortgagee shall have no liability to Mortgagor for interest on any deposits.

5.7 Mortgagor hereby assigns, transfers and conveys to Mortgagee all compensation and each and every award of damages in connection with any condemnation for public or private use of, or injury to, the Mortgaged Property or any part thereof, to the extent of the Obligation then remaining unpaid, and all such compensation and awards shall be paid directly to Mortgagee. Mortgagee may apply all or any part of such compensation and awards to the payment of the Obligation, whether or not then due, or to the restoration or repair of the Mortgaged Property in accordance with the procedures specified in Paragraph 5.3(c) above for insurance proceeds.

SECTION 6. PROTECTION AND PRESERVATION OF MORTGAGEE'S INTEREST

6.1 Mortgagor, by the payment of any such tax or taxes, shall protect Mortgagee against any and all loss from any taxation of indebtedness or mortgages, direct or indirect, that may be imposed upon this Mortgage, the lien of this Mortgage on the Mortgaged Property, or upon the Obligation, by any law, rule, regulation or levy of the federal government, any state government, or any political subdivision thereof. In the event the burden of such taxation cannot lawfully be shifted from Mortgagee to Mortgagor, Mortgagee may declare the entire Obligation due and payable sixty (60) days after notice to Mortgagor.

6.2 If Mortgagor shall fail to pay any taxes, assessments, expenses or charges, to keep all of the Mortgaged Property free from liens and claims of liens, to maintain and repair the Mortgaged Property, or to procure and maintain insurance thereon, or otherwise fail to perform as required herein, Mortgagee may advance the monies necessary to pay the same, to accomplish such maintenance and repairs, to procure and maintain such insurance or to so perform; Mortgagee is hereby authorized to enter upon the Mortgaged Property for such purposes.

6.3 Upon written request by Mortgagee, Mortgagor shall appear in and prosecute or defend any action or proceeding that may affect the lien or the priority of the lien of this Mortgage or the rights of Mortgagee hereunder and shall pay all costs, expenses (including the cost of searching title) and attorneys' fees incurred in such action or proceeding. Mortgagee may appear in and defend any action or proceeding purporting to affect the lien or the priority of the lien of this Mortgage or the rights of Mortgagee. Mortgagee may pay, purchase, contest or compromise any adverse claim, encumbrance, charge or lien that in the judgment of Mortgagee appears to be prior or superior to the lien of this Mortgage, other than any Permitted Exceptions.

6.4 Without obtaining the prior written consent of Mortgagee, which consent may be withheld in the sole and absolute discretion of Mortgagee, Mortgagor shall not sell, transfer, convey, assign or otherwise dispose of, or further encumber, all or any part of the Mortgaged Property or any interest therein, voluntarily or involuntarily, by operation of law or otherwise. If Mortgagor is a corporation, limited liability company, partnership, joint venture or trust, any material change in the ownership or management of, or interest in, Mortgagor, or any pledge or encumbrance of any interest in Mortgagor, shall be deemed to be a transfer of the Mortgaged Property. Upon the occurrence of any such transaction with Mortgagee's consent, or without

09198633

Mortgagee's consent if Mortgagee elects not to exercise its rights and remedies for an Event of Default, Mortgagee (i) may increase the interest rate on all or any part of the Obligation to its then current market rate for similar indebtedness; (ii) may charge a loan fee and a processing fee in connection with the change; and (iii) shall not be obligated to release Mortgagor from any liability hereunder or for the Obligation except to the extent required by law. Consent to any such transaction shall not be deemed to be consent or a waiver of the requirement of consent to any other such transaction.

6.5 Without obtaining the prior written consent of Mortgagee, Mortgagor shall not consent to, or vote in favor of, the inclusion of all or any part of the Mortgaged Property in any special service district. Mortgagor shall immediately give notice to Mortgagee of any notification or advice that Mortgagor may receive from any municipality or other third party of any intent or proposal to include all or any part of the Mortgaged Property in a special service district. Mortgagee shall have the right to file a written objection to the inclusion of all or any part of the Mortgaged Property in a special service district, either in its own name or in the name of Mortgagor, and to appear at, and participate in, any hearing with respect thereto.

6.6 All rights, power, and remedies granted Mortgagee herein, or otherwise available to Mortgagee, are for the sole benefit and protection of Mortgagee, and Mortgagee may exercise any such right, power or remedy at its option and in its sole and absolute discretion without any obligation to do so. In addition, if, under the terms hereof, Mortgagee is given two or more alternative courses of action, Mortgagee may elect any alternative or combination of alternatives, at its option and in its sole and absolute discretion. All monies advanced by Mortgagee under the terms hereof and all amounts paid, suffered or incurred by Mortgagee in exercising any authority granted herein, including reasonable attorneys' fees, shall be added to the Obligation, shall be secured by this Mortgage, shall bear interest at the highest rate payable on any of the Obligation until paid, and shall be due and payable by Mortgagor to Mortgagee immediately without demand.

6.7 Mortgagor, upon request of Mortgagee, shall promptly correct any defect, error or omission that may be discovered in the content of this Mortgage or in the execution or acknowledgment hereof. In addition, Mortgagor shall do such further acts as may be necessary or that Mortgagee may reasonably request to carry out more effectively the purposes of this Mortgage, to subject any property intended to be encumbered hereby to the lien and security interest hereof, and to perfect and maintain the lien and security interest hereof.

SECTION 7. REPRESENTATIONS AND WARRANTIES

7.1 If Mortgagor is a corporation, limited liability company or partnership Mortgagor (and, if applicable, each partner, manager or member of Mortgagor), (i) is duly organized, validly existing and in good standing under the laws of the state in which it is organized; (ii) is qualified to do business and is in good standing under the laws of the state in which the Mortgaged Property is located and in each state in which it is doing business; (iii) has full power and authority to own its properties and assets and to carry on its business as now conducted; and (iv) is fully authorized and permitted to execute and deliver this Mortgage. If Mortgagor is a trust, it is validly formed and existing. The execution, delivery, and performance by Mortgagor of this Mortgage and all other documents and instruments relating to the Obligation will not result in any breach of the terms or conditions or constitute a default under any agreement or instrument under which Mortgagor is a party or is obligated. Mortgagor is not in default in the performance or observance of any covenants, conditions or provisions of any such agreement or instrument.

7.2 The liens, security interests and assignments created hereby will be valid, effective, properly perfected and enforceable liens, security interests and assignments.

7.3 All financial statements, profit and loss statements, statements as to ownership and other statements or reports previously or hereafter given to Mortgagee by or on behalf of Mortgagor are and shall be true, complete and correct as of the date thereof. There has been no material adverse change in the financial condition or the results of the operation of Mortgagor since the latest financial statement of Mortgagor given to Mortgagee.

7.4 Mortgagor has filed all federal, state and local tax returns and has paid all of its current obligations before delinquent, including all federal, state and local taxes and all other payments required under federal, state or local law.

7.5 The Mortgaged Property is not in violation of the ADA and is not subject to any existing, pending or threatened investigation in connection with the ADA.

7.6 All representations and warranties made herein shall survive the execution hereof, the execution and delivery of all other documents and instruments in connection with the Obligation, and until the Obligation has been fully paid and performed.

09198633

SECTION 8. DEFAULTS; REMEDIES

8.1 The occurrence of any of the following events or conditions shall constitute an "Event of Default" under this Mortgage:

- (a) The occurrence of any Event of Default, as that term is defined in the Loan Agreement.
- (b) The abandonment by Mortgagor of all or any part of the Mortgaged Property.
- (c) The existence of any encroachment upon the Mortgaged Property that has occurred without the prior written consent of Mortgagee that is not removed or corrected within thirty (30) days after its creation.
- (d) The demolition or destruction of, or any substantial damage to, any portion of the Mortgaged Property that is not adequately covered by insurance, or the loss, theft or destruction of, or any substantial damage to, any portion of the Personal Property or any other collateral or security for the Obligation, that is not adequately covered by insurance.

8.2 Upon the occurrence of any Event of Default arising from a filing under the federal bankruptcy laws the entire Obligation shall become immediately due and payable, without demand or notice, and the same, with all costs and charges, shall be collectible thereupon by action at law. Upon the occurrence of any other Event of Default, and at any time while such Event of Default is continuing, Mortgagee may declare the entire Obligation to be immediately due and payable, and the same, with all costs and charges, shall be collectible thereupon by action at law. In addition, upon the occurrence of any Event of Default and while such Event of Default is continuing Bank may do one or more of the following:

- (a) Commence proceedings for foreclosure of this Mortgage in the manner provided by law.
- (b) Exercise any or all of the remedies of a secured party under the Uniform Commercial Code with respect to the Personal Property. If Mortgagee should proceed to dispose of any of the Personal Property in accordance with the provisions of the Uniform Commercial Code, ten (10) days' notice by Mortgagee to Mortgagor shall be deemed to be commercially reasonable notice under any provision of the Uniform Commercial Code requiring notice. Mortgagor, however, agrees that all property of every nature and description, whether real or personal, covered by this Mortgage, together with all personal property used on or in connection with the Premises or any business conducted thereon by the Mortgagor and covered by separate security agreements, is encumbered as one unit, that this Mortgage and such security interests, at Mortgagee's option, may be foreclosed or sold in the same proceeding, and that all property encumbered (both realty and personalty), at Mortgagee's option, may be sold as such in one unit as a going business, subject to the provisions of applicable law.
- (c) Without regard to the adequacy of any security for the Obligation or the solvency of Mortgagor or any other person or entity, send notifications to any and all lessees and tenants under the Leases that all Rents shall be paid to Mortgagee. Thereafter, Mortgagee shall be entitled to collect the Rents until Mortgagor cures all Events of Default and may apply the Rents collected at its sole discretion to the maintenance of the Mortgaged Property and/or the payment of the Obligation.
- (d) Apply any funds in the possession or control of Mortgagee under the provisions of Paragraph 5.6 hereof to the payment of the Obligation, in lieu of the purposes specified in that paragraph.
- (e) Apply for and obtain, without regard to the adequacy of any security for the Obligation or the solvency of the Mortgagor or any other person or entity, a receiver by any court of competent jurisdiction to take charge of all the Mortgaged Property, to manage, operate and carry on any business then being conducted or that could be conducted on the Premises, to carry on, protect, preserve, replace and repair the Mortgaged Property, and receive and collect all Rents and to apply the same to pay the receiver's expenses for the operation of the Mortgaged Property and then in the manner provided in Paragraph 3.3 herein. Upon appointment of said receiver, Mortgagor shall immediately deliver possession of all of the Mortgaged Property to such receiver. Neither the appointment of a receiver for the Mortgaged Property by any court at the request of Mortgagee or by agreement with Mortgagor nor the entering into possession of all or any part of the Mortgaged Property by such receiver shall constitute Mortgagee a "mortgagee in possession" or otherwise make Mortgagee responsible or liable in any manner with respect to the Mortgaged Property or the occupancy, operation or use thereof. Mortgagor agrees that Mortgagee shall have the absolute and unconditional right to the appointment of a receiver in any independent and/or separate action brought by Mortgagee regardless of whether Mortgagee seeks any relief in such action other than the appointment of a receiver and Mortgagor hereby expressly consents to the appointment of such receiver. In that respect, Mortgagor waives any express or implied requirement under common law or any other applicable law that a receiver may be appointed only ancillary to other judicial or non-judicial relief.

09198633

(f) Without regard to the adequacy of any security for the Obligation or the solvency of Mortgagor or any other person or entity, enter upon and take possession of all or any part of the Mortgaged Property, either in person or by agent or employee, or by a receiver appointed by a court of competent jurisdiction; Mortgagor shall on demand peaceably surrender possession of the Mortgaged Property to Mortgagee. Mortgagee, in its own name or in the name of Mortgagor, may operate and maintain all or any part of the Mortgaged Property to such extent as Mortgagee deems advisable, may rent and lease the same to such persons, for such periods of time, and on such terms and conditions as Mortgagee in its sole discretion may determine, and may sue for or otherwise collect any and all Rents, including those past due and unpaid. Mortgagee or the receiver shall be entitled to receive a reasonable fee for so managing the Mortgaged Property. In dealing with the Mortgaged Property as a mortgagee in possession, Mortgagee shall not be subject to any liability, charge, or obligation therefor to Mortgagor, other than for willful misconduct, and shall be entitled to operate any business then being conducted or which could be conducted thereon or therewith at the expense of and for the account of Mortgagor (and all net losses, costs and expenses thereby incurred shall be advances governed by Paragraph 6.6 hereof), to the same extent as the owner thereof could do, and to apply the Rents to pay the receiver's expenses, if any, for the operation of the Mortgaged Property and then in the manner provided in Paragraph 3.3 herein.

(g) In the event that any portion of this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101, et seq. (herein called the "Act")), the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in Paragraph 8.3 of this Mortgage, shall be added to the Obligation or to the indebtedness secured by the judgment of foreclosure.

8.3 Mortgagor shall pay all costs and expenses including without limitation costs of title searches and title policy commitments, Uniform Commercial Code searches, court costs and reasonable allocated costs of in-house counsel and outside attorneys' fees, incurred by Mortgagee in enforcing payment and performance of the Obligation or in exercising the rights and remedies of Mortgagee hereunder. All such costs and expenses shall be secured by this Mortgage and by all other lien and security documents securing the Obligation. In the event of any court proceedings, court costs and attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Mortgagee.

8.4 In addition to any remedies provided herein for an Event of Default Mortgagee shall have all other legal or equitable remedies allowed under applicable law. No failure on the part of Mortgagee to exercise any of its rights hereunder arising upon any Event of Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Event of Default. No delay on the part of Mortgagee in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Event of Default is continuing. Mortgagee may enforce any one or more remedies or rights hereunder successively or concurrently. By accepting payment or performance of any of the Obligation after its due date, Mortgagee shall not thereby waive the agreement contained herein that time is of the essence, nor shall Mortgagee waive either its right to require prompt payment or performance when due of the remainder of the Obligation or its right to consider the failure to so pay or perform an Event of Default. In any action by Mortgagee to recover a deficiency judgment for any balance due under the Note upon the foreclosure of this Mortgage or in any action to recover the Obligation or Obligations secured hereby, and as a material inducement to making the loan evidenced by the Note, Mortgagor acknowledges and agrees that the successful bid amount made at any judicial foreclosure sale, if any, shall be conclusively deemed to constitute the fair market value of the Premises, that such bid amount shall be binding against Mortgagor in any proceeding seeking to determine or contest the fair market value of the Premises and that such bid amount shall be the preferred alternative means of determining and establishing the fair market value of the Premises.

SECTION 9. GENERAL PROVISIONS

09198633

9.1 Mortgagor shall defend, indemnify and hold harmless Mortgagee, any successors to Mortgagee's interest in the Mortgaged Property, any purchaser of the Mortgaged Property upon foreclosure, and all shareholders, directors, officers, employees and agents of all of the foregoing and their heirs, personal representatives, successors and assigns from and against all claims, costs, expenses, actions, suits, proceedings, losses, damages and liabilities of any kind whatsoever, including but not limited to all amounts paid in settlement of, and all costs and expenses (including attorneys' fees) incurred in defending or settling, any actual or threatened claim, action, suit or proceeding, directly or indirectly arising out of or relating to the Obligation, this Mortgage, or the Mortgaged Property, including but not limited to (i) any violation of or claim of violation of the ADA with respect to the Mortgaged Property; or (ii) any breach of any of the warranties, representations and covenants contained herein or in the Environmental Indemnity Agreement. This indemnity provision shall continue in full force and effect

and shall survive the payment and performance of the Obligation, the release of record of the lien of this Mortgage, any foreclosure (or action in lieu of foreclosure) of this Mortgage, the exercise by Mortgagee of any other remedy under this Mortgage or any other document or instrument evidencing or securing the Obligation, and any suit, proceeding or judgment against Mortgagor by Mortgagee hereon.

9.2 The acceptance of this Mortgage by Mortgagee shall not be considered a waiver of or in any way to affect or impair any other security that Mortgagee may have, acquire simultaneously herewith, or hereafter acquire for the payment or performance of the Obligation, nor shall the taking by Mortgagee at any time of any such additional security be construed as a waiver of or in any way to affect or impair the security of this Mortgage; Mortgagee may resort, for the payment or performance of the Obligation, to its several securities therefor in such order and manner as it may determine.

9.3 Without notice or demand, without affecting the obligations of Mortgagor hereunder or the personal liability of any person for payment or performance of the Obligation, and without affecting the lien or the priority of the lien of this Mortgage, Mortgagee, from time to time, may: (i) extend the time for payment of all or any part of the Obligation, accept a renewal note therefor, reduce the payments thereon, release any person liable for all or any part thereof, or otherwise change the terms of all or any part of the Obligation; (ii) take and hold other security for the payment or performance of the Obligation and enforce, exchange, substitute, subordinate, waive or release any such security; (iii) consent to the making of any map or plat of the Mortgaged Property; (iv) join in granting any easement on or in creating any covenants, conditions or restrictions affecting the use or occupancy of the Mortgaged Property; (v) join in any extension or subordination agreement; or (vi) release any part of the Mortgaged Property from this Mortgage. Any such action by Mortgagee may be taken without the consent of any junior lienholder and shall not affect the priority of this Mortgage over any junior lien.

9.4 Mortgagor waives and agrees not to assert: (i) any right to require Mortgagee to proceed against any guarantor, to proceed against or exhaust any other security for the Obligation, to pursue any other remedy available to Mortgagee, or to pursue any remedy in any particular order or manner; (ii) the benefits of any legal or equitable doctrine or principle of marshalling; (iii) the benefits of any statute of limitations affecting the enforcement hereof; (iv) demand, diligence, presentment for payment, protest and demand, and notice of extension, dishonor, protest, demand and nonpayment, relating to the Obligation; and (v) any benefit of, and any right to participate in, any other security now or hereafter held by Mortgagee.

9.5 Upon payment of all of the Obligation, Mortgagee shall cause the lien of this Mortgage to be released and all costs and expenses of Mortgagee relating to such release shall be paid by Mortgagor, including but not limited to title fees, recording fees and legal expenses.

9.6 Mortgagee shall have the right to inspect the Mortgaged Property at all reasonable times.

9.7 Time is of the essence hereof. If more than one Mortgagor is named herein, the word "Mortgagor" shall mean all and any one or more of them, severally and collectively. All liability hereunder shall be joint and several. This Mortgage shall be binding upon, and shall inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns. The term "Mortgagee" shall include not only the original Mortgagee hereunder but also any future owner and holder, including pledgees, of the Note. The provisions hereof shall apply to the parties according to the context thereof and without regard to the number or gender of words or expressions used.

9.8 This Mortgage cannot be changed except by agreement, in writing, signed by Mortgagor and Mortgagee.

9.9 No setoff or claim that Mortgagor now has or may in the future have against Mortgagee shall relieve Mortgagor from paying or performing the Obligation.

9.10 Each term, condition and provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law but if any term, condition or provision of this Mortgage shall be held to be void or invalid, the same shall not affect the remainder hereof which shall be effective as though the void or invalid term, condition or provision had not been contained herein.

9.11 This Mortgage, the Obligation and the agreements of any person or entity to pay or perform the Obligation shall be governed by and construed according to the laws of the State of Illinois, without giving effect to conflict of laws principles.

9.12 All notices required or permitted to be given hereunder shall be in writing and may be given in person or by United States mail, by delivery service or by electronic transmission. Any notice directed to a party to this Mortgage shall become effective upon the earliest of the following: (i) actual receipt by that party; (ii) delivery to the designated address of that party, addressed

09198633

to that party; or (iii) if given by certified or registered United States mail, twenty-four (24) hours after deposit with the United States Postal Service, postage prepaid, addressed to that party at its designated address. The designated address of a party shall be the address of that party shown at the beginning of this Mortgage or such other address as that party, from time to time, may specify by notice to the other parties.

9.13 As further security for the payment and performance of the Obligation, Mortgagee shall be subrogated to the lien, although released of record, of any and all encumbrances paid from the proceeds of any loan included in the Obligation.

9.14 There shall be no merger of the estate or interest created by this Mortgage with any other interest or estate in the Mortgaged Property at any time held by or for the benefit of Mortgagee in any capacity, without the written consent of Mortgagee.

9.15 Mortgagor covenants that the proceeds of the loan evidenced by the Note and secured by this Mortgage will be used for the purposes specified in 815 ILCS 205/4, and that the principal obligation secured hereby constitutes a "business loan" which comes within the purview of said Paragraph.

9.16 Mortgagor hereby releases and waives any and all rights to retain possession of the Mortgaged Property after the occurrence of an Event of Default hereunder and any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights therein granted, on behalf of Mortgagor and each and every person acquiring any interest in, or title to, the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of 735 ILCS 5/1-1601 or other applicable law or replacement statutes.

9.17 Any property management agreement for the Mortgaged Property entered into hereafter by Mortgagor with a property manager, shall contain a "no lien" provision whereby the property manager waives and releases any and all mechanics' lien rights that the property manager or anyone claiming or, through or under the property manager may have pursuant to 770 ILCS 60/0.01 et seq. Such property management agreement or a short form thereof shall, at Mortgagee's request, be recorded with the Recorder of Deeds of the county where the Mortgaged Property is located.

9.18 This Mortgage is executed by American National Bank and Trust Company of Chicago, not individually but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in as such Trustee, and it is expressly understood and agreed by every person now or hereafter claiming any right or security hereunder that nothing contained herein, in the Note or in any other document evidencing, guarantying, securing or otherwise related to the Obligation shall be construed as creating any liability on said Trustee personally to pay any debt or any interest that may accrue thereon, or to perform any covenants, either express or implied, herein contained, all such liability, if any being expressly waived with respect to said Trustee; but nothing in the preceding portions of this Paragraph 9.18 shall limit Mortgagee's right of recovery against and out of the Mortgaged Property by enforcement of the provisions hereof, nor in any way limit or affect the personal liability of any beneficiary, co-signor, endorser or guarantor.

SECTION 10. RELEASE PROVISIONS

Mortgagor anticipates that it will subdivide the Premises into not less than 6 lots and that it will sell those lots to various purchasers. Provided that no Event of Default exists, Mortgagor shall be entitled to the release of the lien of this Mortgage and of any other instrument securing the Note from any such lot upon satisfaction of the following conditions precedent:

(a) The Premises shall have been subdivided into not less than 6 lots and all state, county, municipal or other requirements regarding the subdivision of the Premises and the sale of the lots shall have been satisfied and evidence thereof provided to Mortgagee.

(b) The release shall be in connection with the sale of the lot to a bona fide purchaser for value.

(c) The purchaser of that lot shall have paid the full purchase price of that lot in cash and Mortgagee shall have been paid the release price for that lot specified in the Loan Agreement.

(d) Mortgagee shall have received such endorsements to its policy of title insurance insuring the lien of this Mortgage as Mortgagee may require.

(e) Mortgagee shall have received a written request for the partial release together with such documents and information as Mortgagee may reasonably request to verify that the conditions for such release have been satisfied. After receipt

09198633

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of such notice and the satisfaction of all conditions precedent for the partial release, Mortgagee shall execute and deliver to Mortgagor a Partial Release of Mortgage for the lot to be released.

(f) All costs and expenses of Mortgagee relating to all partial releases shall be paid by Mortgagor, including but not limited to title fees, recording fees and legal expenses.

(g) No partial release shall impair or adversely affect Mortgagee's security in the Mortgaged Property remaining subject to this Mortgage or any term or provision of this Mortgage as it pertains to the Mortgaged Property remaining subject to this Mortgage.

IN WITNESS WHEREOF, these presents are executed as of the date indicated above.

TRUSTEE:

American National Bank and Trust Company of Chicago
as Trustee under Agreement dated
March 15, 1999, and known as
Trust No. 301061-08

By: Margaret O'Donnell
Name: MARGARET O'DONNELL
Title: TRUST OFFICER

BENEFICIARY: Charles A. Kam
Charles A. Kam

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STATE OF ILLINOIS)
)SS:
COUNTY OF Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, **DO HEREBY CERTIFY**, that the foregoing instrument was acknowledged before me on this 22nd day of December, 1999, by MARGARET O'DONNELL, as TRUST OFFICER of American National Bank and Trust Company of Chicago, not personally but solely as Trustee under Trust Agreement dated March 15, 1999, and known as Trust No. 301061-08, on behalf of the Trust.

In Witness Whereof, I have hereunto set my hand and seal the day and year before written.



Elana M. Pierce
Notary Public
My Commission Expires: 2-24-03

STATE OF ILLINOIS)
)SS:
COUNTY OF Cook)

I, Margaret O'Donnell, a Notary Public, in and for the County and State aforesaid, **DO HEREBY CERTIFY**, that the foregoing instrument was acknowledged before me on this 22nd day of December, 1999, by Charles A. Kam.

In Witness Whereof, I have hereunto set my hand and seal the day and year before written.

Margaret O'Donnell
Notary Public
My Commission Expires: 5-10-01



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SCHEDULE "B"

Existing Leases:

<u>Title of Lease</u>	<u>Date</u>	<u>Name of Lessee</u>
Commercial Lease	December 5, 1998	Nicolas Guer

Property of Cook County Clerk's Office

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SCHEDULE "A"

All that real property located at 1393-97 North Milwaukee, Chicago, in the County of Cook, State of Illinois, the Tax Property Identification Number of which is 17-06-219-026-0000 and 17-06-219-027-0000, more particularly described as follows:

Lots 1, 2, and 3 in the Westerly Part of Block 11 in McReynolds' Subdivision of Part of the East 1/2 of the Northeast 1/4 of Section 6, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Property of Cook County Clerk's Office

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