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**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption



Doc#: 1007849031 Fee: \$66.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 03/19/2010 02:34 PM Pg: 1 of 16

**Report Mortgage Fraud
800-532-8785**

Property of Cook County Clerk's Office

The property identified as: **PIN: 17-06-210-018-0000**

Address:

Street: 1725 West Lemoyne

Street line 2:

City: Chicago

State: IL

ZIP Code: 60622

Lender: Michael Freeman

Borrower: Lemoyne Homes, LLC

Loan / Mortgage Amount: \$45,000.00

This property is located within Cook County and the transaction is exempt from the requirements of 765 ILCS 77/10 et seq. because the application was taken by an exempt entity.

Certificate number: 07638B05-5A7B-42AA-8177-E3E5E8DFA5E6

Execution date: 03/16/2010

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MORTGAGE

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, (this "Security Instrument") is made as of March 5, 2010 by LEMOYNE HOMES, LLC., an Illinois Limited Liability Company, of Chicago, Illinois ("Borrower"), to MICHAEL FREEMAN, having an address at P.O. BOX 1183, Wheeling, Illinois 60090 ("Lender").

WITNESSETH:

WHEREAS, LEMOYNE HOMES, LLC. ("Borrower") has requested that Lender advance legal services and costs to Borrower from time to time; and,

WHEREAS, Lender has agreed to render such legal services and advance such costs to Borrower and has in fact advanced legal services and costs to the Borrower in an amount equal to Forty Five Thousand and 00/100 (\$45,000.00) Dollars which both parties agree is the fair market value of such services and the amount which Borrower owes to Lender; and,

WHEREAS, concurrently herewith, **BORROWER** has delivered to Lender its Promissory Note of even date herewith in the amount of the Loan (as the same may hereafter from time to time be modified, amended, replaced, restated, supplemented, renewed, or extended, and any note(s) issued in exchange therefore or in substitution thereof, collectively, the "Note") in evidence of the Loan, with interest from the date hereof at the rates set forth in the Note, such interest and the principal amount thereof to be payable in accordance with the terms and conditions provided in the Note; and

WHEREAS, the Note is due and payable on May 4, 2010, if not sooner in accordance with the terms and conditions thereof; and,

WHEREAS, as additional collateral for said loan, Borrower has agreed to pledge and mortgage the property which is subject to this mortgage and title to said property is in the name of Lemoyne Properties, LLC.

NOW THEREFORE, in consideration of the making of the Loan and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Borrower hereby agrees, covenants, represents and warrants with and to Lender as follows:

Article 1 - GRANTS OF SECURITY

Section 1.1 **PROPERTY MORTGAGED.** Borrower does hereby irrevocably mortgage, grant, bargain, pledge, assign, warrant, transfer and convey to Lender, and grant a security interest to Lender in, all of Borrower's right, title and interest in and to the following property, rights, interests and estates now owned or hereafter acquired by

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Borrower, whether now existing or hereafter created (collectively, the "Property");

(a) The Land and improvements: UNIT 2 AND G 2 IN THE 1725 WEST LEMOYNE CONDOMINIUM AS DELINEATED ON THE PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF LAND: LOT 15 IN BLOCK 6 IN MCREYNOLD'S SUBDIVISION OF PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH PLAT OF SURVEY IS ATTACHED AS AN EXHIBIT TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 1001434006, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN COOK COUNTY, ILLINOIS.

P.I.N. 17-06-210-018-0000 and commonly known as 1725 WEST LEMOYNE, CHICAGO, ILLINOIS.

(b) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, without limitation, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(c) Insurance Proceeds. All insurance proceeds in respect of the Property under insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property;

(d) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder; and

(e) Other Rights; Replacements and Conversions. Any and all other rights of Borrower in and to the items set forth in Subsections (a) through (d) above and all renewals, substitutions, improvements, accessions, attachments, additions, replacements and all proceeds (whether cash or non-cash, movable or immovable, tangible or intangible) to or of each of the items set forth in Subsections (a) through (d) above, including without limitation, all insurance proceeds and condemnation awards, and all conversions of the security constituted thereby (whether voluntary or involuntary and in whatever form).

Section 1.2 ASSIGNMENT OF RENTS. Borrower hereby absolutely and

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unconditionally assigns to Lender Borrower's right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 1.2, Lender grants to Borrower a revocable license to collect and receive the Rents.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Lender, and the successors and assigns of Lender, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower and/or Borrower shall well and truly pay to Lender the Debt at the time and in the manner provided in the Note and this Security Instrument, shall well and truly perform the other Obligations as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein, in the Note and in the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void.

Article 2 - DEBT AND OBLIGATIONS SECURED

Section **2.1 DEBT**. This Security Instrument and the grants, assignments and transfers made herein are given for the purpose of additionally securing the Debt up to Forty Five Thousand and 00/100 Dollars (\$45,000.00), not including any costs or expenses of Lender of foreclosure or collection of the amount of the Loan or to preserve or protect the Property.

Section **2.2 OBLIGATIONS**. This Security Instrument and the grants, assignments and transfers made herein are also given for the purpose of securing the performance of the following (the "Other Obligations"): (a) all other obligations of the Borrower under this Security Instrument, (b) each obligation of Borrower contained in any other Loan Documents, and (c) each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation or substitution or replacement for the Note or any other Loan Documents. Borrower's obligation for payment of the Debt and the performance of the Other Obligations shall be referred to collectively as the "Obligations."

Article 3 - BORROWER COVENANTS

Borrower covenants and agrees that:

Section **3.1 PAYMENT OF DEBT**. Borrower will pay the Debt at the time and the manner provided in the Note.

Section **3.2 INCORPORATION BY REFERENCE**. All the covenants, conditions and agreements contained in (a) the Note, and (b) any and all of the other Loan Documents, are hereby made a part of this Security Instrument to the

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same extent and with the same force as if fully set forth herein, to the extent as may be applicable.

Section **3.3 PERFORMANCE OF OTHER AGREEMENTS.** Borrower shall observe and perform each and every term to be observed or performed by Borrower pursuant to the terms of any agreement or recorded instrument affecting or pertaining to Borrower or the Property, or given by Borrower to Lender for the purpose of further securing an Obligation and any amendments, modifications or changes thereto or given by Borrower to others to secure any indebtedness which may be superior to this Mortgage.

Section **3.4 PAYMENT FOR LABOR AND MATERIALS.** Borrower will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest (other than the Security Instrument) even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof and the liens currently in existence on the property, except for the Permitted Encumbrances. Borrower represents there are no claims for payment for work, labor or materials affecting the Property which are or may become a lien prior to, or off equal priority with, the liens created by the Loan Documents.

Article 4 - PROPERTY COVENANTS

Borrower agrees and covenants with Lender:

Section **4.1 WARRANTY OF TITLE.** Borrower has good title to the Property and has the right to mortgage, grant, bargain, pledge, assign, warrant, transfer and convey the same. Borrower possesses a good, marketable and insurable fee simple absolute estate in the Land and the improvements and owns the Property free and clear of all liens, encumbrances and charges whatsoever except for those shown in the title insurance policy accepted by Lender insuring the lien of this Security Instrument (the "Permitted Exceptions"). The Permitted Exceptions do not materially interfere with the security intended to be provided by this Security Instrument or the current use of the Property. Borrower shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

Section **4.2 MAINTENANCE OF PROPERTY.** Borrower shall cause the Property to be maintained in a good and safe condition and repair. The Improvements, the fixtures and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the fixtures or

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the Personal Property), without the consent of Lender. Borrower shall promptly repair, replace or rebuild any part of the Property which may be destroyed by any casualty, or become damaged, worn or dilapidated or which may be affected by any condemnation, and shall complete and pay for any structure at any time in the process of construction or repair on the Land.

Borrower shall not abandon the Property.

Section 4.3 **WASTE**. Borrower shall not commit or suffer any waste of the Property, or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or allow the cancellation of any Policy, or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Security Instrument. Borrower will not, without the prior written consent of Lender, permit any drilling or exploration, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 4.4 **TAXES**. Borrower shall pay all real estate taxes and other charges assessed or imposed against the Property or any part thereof prior to the date when due.

Section 4.5 **LEASES**. Borrower shall not enter in any leases for all or any portion of the Property.

Section 4.6 **HAZARD OR PROPERTY INSURANCE**. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included with the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time re-mappings or similar changes occur which reasonably might affect such determination or certification.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in

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effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Default Rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Any insurance proceeds shall be applied to payment of the Debt whether or not then due or restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened as Lender shall determine in its sole discretion. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. Such insurance proceeds shall be applied in such order as Lender shall determine.

Section **4.7 CONDEMNATION.** Borrower assigns all awards and compensation for any condemnation or other taking or any purchase in lieu thereof, to Lender, and authorizes Lender to collect and receive such awards and compensation and to give proper receipts therefore.

Section **4.8 HAZARDOUS SUBSTANCES.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, or (b) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property, except for the presence, use, or storage on the Property of small

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quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with environmental Law. Nothing herein shall create any obligation on Lender for an environmental cleanup.

"Hazardous Substances" shall mean any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including, without limitation, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, materials containing lead based paint, radon, radioactive materials, flammables and explosives.

"Environmental Law" shall mean (a) any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Substances, relating to liability for or costs of Remediation or prevention of Releases of Hazardous Substances or relating to liability for or costs of other actual or threatened danger to human health or the environment; (b) including, but not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including, without limitation, Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; the River and Harbors Appropriation Act and the Residential Lead-Based Paint Hazard Reduction Act; and (c) including, but not limited to, any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law: conditioning

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transfer of property upon a negative declaration or other approval of a governmental authority of the environmental condition of the property; requiring notification or disclosure of Releases of Hazardous Substances or other environmental condition of the Property to any governmental authority or other Person, whether or not in connection with transfer of title to or interest in property; imposing conditions or requirements in connection with permits or other authorization for lawful activity; relating to nuisance, trespass or other causes of action related to the Property; and relating to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Property.

Article 5 - DEFAULTS; RIGHTS AND REMEDIES UPON DEFAULT

Section **5.1 DEFAULTS.** The occurrence of one or more of the following events shall be an event of default ("Event of Default"):

(a) If any portion of the Debt is not paid prior to the fifth day following the date when due or if the entire Debt is not paid on or before the Maturity Date;

(b) If any of the taxes or other charges are not paid at least ten (10) days prior to the date upon which any fine, penalty, interest or cost for nonpayment is imposed;

(c) If the insurance policies are not kept in full force and effect, or if the Policies are not delivered to Lender upon request;

(d) If the Property is subject to actual waste or hazardous nuisance;

(e) If the Borrower: (1) shall file a voluntary petition in bankruptcy or for relief under the federal Bankruptcy Act or any similar state or federal law; (2) shall file a pleading in any proceeding admitting insolvency; (3) shall not have vacated within sixty (60) days after the filing against Borrower or Guarantor of any involuntary proceeding under the federal Bankruptcy Act or similar state or federal law; (4) shall have a substantial part of any one or more of their assets attached, seized, subjected to a writ or distress warrant, or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within sixty (60) days; (5) shall make an assignment for the benefit of creditors or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Property; or (6) shall not have vacated any order appointing a receiver, trustee or of any Borrower or Guarantor or all or a major part of any such person's property or the Property.

(f) If the Property becomes subject to any mechanic's, materialman's or other Lien other than a Lien for any taxes or other charges not then due and payable and the Lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of thirty (30) days, unless Borrower is in good faith contesting said lien and deposits with the Lender sufficient funds to pay the lien in the event any final judgment against the Borrower is entered by a court of competent jurisdiction

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foreclosing on said lien;

(g) If a notice of lien, levy or assignment is filed or recorded with respect to the Property or with respect to all or any of the assets of Borrower by the United States government or any department, agency or instrumentality thereof or by any state, county, municipal or other governmental agency, or if any taxes or debts owing at any time or times hereafter to any one of them becomes a lien or encumbrances upon the Property or any other of Borrower's assets and any of the foregoing is not released, bonded or otherwise secured to Lender's reasonable satisfaction within sixty (60) days after the same becomes a lien or encumbrance;

(h) If Borrower shall continue to be in default under any other term, covenant or condition of this Agreement not specified above, for thirty (30) days after notice to Borrower from Lender, provided however, if such default cannot reasonably be cured within such thirty (30) day period and Borrower shall have commenced to cure such default within the thirty day (30) period and Borrower shall thereafter diligently and expeditiously proceed to cure for such additional time as is reasonably necessary but not to exceed sixty (60) days.

Section **5.2 REMEDIES.** Upon the occurrence of any Event of Default, Borrower agrees that Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, without limitation, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

(a) declare the entire unpaid Debt to be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the foreclosure of this Security Instrument under any applicable provision of law in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(c) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, any Guarantor or of any person, firm or other entity liable for the payment of the Debt;

(d) pursue such other remedies as Lender may have under Applicable Law. In the event of a sale, by foreclosure, power of sale, or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section **5.3 APPLICATION OF PROCEEDS.** The proceeds of any disposition of the Property, or any part thereof, or any other sums collected by Lender

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pursuant to the Loan Documents, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper.

Section **5.4 RIGHT TO CURE DEFAULTS**. Upon the occurrence of any Event of Default or if Borrower fails to make any payment or to do any act as herein provided, Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period from that the incurrence of such cost or expense by Lender to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefore.

Section **5.5 RECOVERY OF SUMS REQUIRED TO BE PAID**. Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced.

Section **5.6 OTHER RIGHTS, ETC.** (a) The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Borrower to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Debt or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Security Instrument or the other Loan Documents. Acceptance of any payment after the occurrence of a default shall not be deemed to waive or cure such default; and every power and remedy given to Lender may be exercised from time to time as often as may be deemed expedient by Lender. Borrower hereby waives any right to require Lender at any time to pursue any remedy in Lender's power whatsoever.

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(b) Lender may resort for the payment of the Debt to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Security Instrument. The rights of Lender under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

(c) In the event Lender determines from time to time that the Property is not being maintained as required under this Security Instrument, Lender may require that Borrower establish a monetary reserve therefore in an amount determined by Lender, in its reasonable discretion. Borrower hereby agrees to fully comply with any such additional requirements imposed by Lender, including, without limitation, depositing with Lender in full or in installments such sums as Lender shall determine. Any such reserve shall be established with Lender on Lender's form of reserve agreement.

Section **5.7 RIGHT OF ENTRY**. Lender and its agents shall have the right to enter and inspect the Property at all reasonable times and, except during an emergency or following the occurrence and during the continuance of an Event of Default, upon reasonable advance notice (which may, for such purpose alone, be given orally).

Section **5.8 RESTORATION OF RIGHTS**. In case Lender shall have proceeded to enforce any right by foreclosure sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Lender, then, in every such case, Borrower and Lender shall be restored to their former positions and rights thereunder.

Article 6 - WAIVERS

Section **6.1 MARSHALLING AND OTHER MATTERS**. Borrower hereby waives, to the extent permitted by law, the benefit of all appraisement, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Borrower, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by Applicable Law.

Section **6.2 WAIVER OF NOTICE**. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this

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Security Instrument specifically and expressly provides for the giving of notice by Lender to Borrower and except with respect to matters for which Lender is required by Applicable Law to give notice, and Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section **6.3 WAIVER OF STATUTE OF LIMITATIONS** To the fullest extent permitted by law, Borrower hereby expressly waives and releases the pleading of any statute of limitations as a defense to payment of the Debt or performance of its other Obligations.

Section **6.4 WAIVER OF COUNTERCLAIM, BORROWER HEREBY KNOWINGLY WAIVES THE RIGHT TO ASSERT ANY COUNTERCLAIM, OTHER THAN A COMPULSORY OR MANDATORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST BORROWER BY LENDER OR ITS AGENTS.**

Section **6.5 WAIVER OF FORECLOSURE DEFENSE** Borrower hereby waives any defense Borrower might assert or have by reason of Lender's failure to make any tenant or lessee of the Property a party defendant in any foreclosure proceeding or action instituted by Lender.

Section **6.6 WAIVER OF HOMESTEAD** Borrower hereby waives and releases all rights under and by virtue of any homestead exemption under any Applicable Law.

Article 7 - GENERAL PROVISIONS

Section **7.1 ATTORNEY'S FEES FOR ENFORCEMENT** Borrower shall pay to Lender on demand any and all expenses, including legal expenses and attorneys' fees, incurred or paid by Lender in protecting its interest in the Property, in collecting any amount payable hereunder or in enforcing its rights hereunder with respect to the Property, whether or not any legal proceeding is commenced hereunder or under any other Loan Document, together with interest thereon at the Default Rate from the date paid or incurred by Lender until such expenses are paid by Borrower.

Section **7.2 SUBROGATION**. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Borrower's obligations hereunder, under the Note and

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the other Loan Documents and the performance and discharge of the other Obligations.

Section 7.3 **SEVERABILITY**. Whenever possible, each provision of this Security Instrument shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision shall be prohibited by or invalid or unenforceable under the applicable law of any jurisdiction with respect to any Person or circumstance, such provision shall be ineffective to the extent of such prohibition, invalidity or unenforceability, without invalidating the remaining provisions or affecting the validity or enforceability of such provisions in any other jurisdiction or with respect to other Persons or circumstances.

Section 7.4 **NO ORAL MODIFICATIONS**. This Security Instrument, and any of the provisions thereof, cannot be altered, modified, amended, waived, extended, changed, discharged or terminated orally or by any act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any alteration, modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 7.5 **JURISDICTION, COURT PROCEEDINGS**. EACH OF LENDER AND BORROWER TO THE FULLEST EXTENT PERMITTED BY LAW. HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (I) SUBMITS TO PERSONAL, NONEXCLUSIVE JURISDICTION IN THE STATE OR COMMONWEALTH OF WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM, RELATING TO OR IN CONNECTION WITH SUCH INSTRUMENT OR THE LOAN, (II) AGREES THAT ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN LAKE COUNTY, ILLINOIS, AND (III) SUBMITS TO THE JURISDICTION OF SUCH COURTS. BORROWER, TO THE FULLEST EXTENT PERMITTED BY LAW. HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, FURTHER AGREES THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY FORUM OTHER THAN LAKE COUNTY, ILLINOIS. AND IRREVOCABLY AGREES NOT TO ASSERT ANY OBJECTION WHICH IT MAY EVER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT LOCATED IN AND ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 7.6 **TIME OF THE ESSENCE**. Time shall be of the essence in the performance of all obligations of Borrower thereunder.

Section 7.7 **GOVERNING LAW**. This Security Instrument shall be governed by, and construed in accordance with, the laws of the state of Illinois.

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Section 7.8 **EXHIBITS INCORPORATED, HEADINGS** The information set forth on the cover, the table of contents, the headings and the exhibits annexed thereto, if any, shall be deemed to be incorporated therein as a part thereof with the same effect as if set forth in the body thereof. The headings and captions of the various articles, sections and paragraphs of such instrument are for convenience of reference only and shall not be construed as modifying, defining or limiting, in any way, the scope or intent of the provisions thereof.

Section 7.9 **NOTICES** Any notice, demand or other communication which any part hereof may desire or may be required to give to any other party under this Agreement or the other Loan Documents shall be in writing, and shall be deemed given (i) if and when personally delivered, (ii) upon receipt if sent by any nationally recognized overnight courier addressed to a party at its address set forth below, or (iii) upon receipt if deposited in United States registered or certified mail, postage prepaid, or at such other place as such party may have designated to all other parties by notice in writing in accordance with this Section:

(a) If to Borrower: LEMOYNE HOMES, LLC.
6037 B. N. Cicero Ave.
Chicago, Illinois 60646

with a copy to: JAROSLAW MOSKAL
6037 B. N. Cicero Ave.
Chicago, Illinois 60646

(b) If to Lender: Michael Freeman
P.O. Box 1183
Wheeling, Illinois 60090

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Except as otherwise specifically required herein, notice of the exercise of any right or option granted to Lender by this Agreement is not required to be given. Failure to deliver copies of notice shall not render the notice invalid.

IN WITNESS WHEREOF THIS MORTGAGE AND SECURITY INSTRUMENT has been executed by Borrower as of the day and year first above written.

BORROWER: LEMOYNE HOME, LLC., an Illinois Limited Liability Company,

By: [Signature]
JAROSLAW MOSKAL, MANAGER

ACKNOWLEDGEMENT

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 JAROSLAW MOSKAL personally known to me to be MANAGER of LEMOYNE Homes, LLC., and the same person whose name is subscribed to the within Document, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his free and voluntary act and deed of the said Limited Liability Company, for the uses and purposes therein set forth.

Given under my hand and official seal this 12th day of March, 2010.

[Signature]
Notary Public

