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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



Doc#: 1008131092 Fee: \$104.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 03/22/2010 12:37 PM Pg: 1 of 35

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

The property identified as: **PIN: 17-06-200-029-0000**

**Address:**

**Street:** 1913-15 W NORTH AVENUE

**Street line 2:**

**City:** CHICAGO

**State:** IL

**ZIP Code:** 60622

**Lender:** THE NORTHERN TRUST COMPANY

**Borrower:** JFS 1913-19 NORTH AVENUE LLC

**Loan / Mortgage Amount:** \$2,150,000.00

This property is located within Cook County and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

**Certificate number:** 4DC90347-2B56-49E4-80A9-688136864E0A

**Execution date:** 03/19/2010

*(Bot 334)*

*850 3096  
2 of 8  
NW case  
NW case  
NW case*

*Property of Cook County Clerk's Office*

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Instrument was prepared by  
and, after recording, return to:  
Michael Steingo  
311 South Wacker Drive  
Suite 3000  
Chicago, Illinois 60606

Address:  
1913-15 W. North Avenue  
Chicago IL 60622

Permanent Tax ID: 17-06-200-028-0000 (Lots 6 and 7)  
17-06-200-029-0000 (Lot 5)

NTC/JFS

## MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE, made as of this 19th day of March, 2010 by JFS 1913-19 NORTH AVENUE, LLC, an Illinois limited liability company ("Mortgagor"), having an address of 401 North Michigan Avenue, Suite 1750, Chicago, IL 60611, to and for the benefit of THE NORTHERN TRUST COMPANY, an Illinois banking corporation, having an address of 50 South LaSalle Street, Chicago, Illinois, 60675 ("Mortgagee"):

### WITNESSETH:

WHEREAS, Mortgagor is justly indebted to Mortgagee in the principal sum of TWO MILLION ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$2,150,000) evidenced by a certain Mortgage Note (the "Note") of even date herewith in such amount, made by Mortgagor and payable to the order of and delivered to Mortgagee, in and by which said Note, Mortgagor promises to pay the said principal sum and interest in the manner and at the rates as provided therein. The unpaid principal amount and all accrued and unpaid interest due under the Note, if not sooner paid, shall be due on March 19th, 2015, as the same may be extended pursuant to the provisions thereof. All such payments on account of the indebtedness evidenced by the Note shall be first applied to interest on the unpaid principal balance and the remainder to principal and all of said principal and interest being made payable at such place as the holder of the Note may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee,

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at the address indicated above or at such other address as Mortgagee may from time to time designate in writing.

WHEREAS, on the date hereof, Mortgage is also entering into that certain Mortgage and Security Agreement by and between Mortgagor and Mortgagee (the "**Adjacent Mortgage**") for that certain parcel of land improved with a three story apartment building which is adjacent to the Mortgaged Property (hereinafter defined) and is further described on **EXHIBIT B** attached hereto and made a part hereof (the "**Adjacent Property**") to secure the payment of indebtedness due from Mortgagor to Mortgagee in the principal sum of FOUR HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$450,000) as evidenced by that certain Mortgage Note dated as of the date hereof by and between Mortgagee and Mortgagee (the "**Adjacent Note**").

NOW, THEREFORE, Mortgagor, to secure: (i) the payment of said principal sum of money and all interest, late charges and other indebtedness evidenced by the Note and by any extensions, renewals or refinancings thereof; (ii) the performance and observance of the covenants, terms, conditions and agreements contained in the Note, this Mortgage and the other Loan Documents (as hereinafter defined); and (iii) the reimbursement of Mortgagee for any and all sums expended or advanced by Mortgagee pursuant to any term or provision of or constituting additional indebtedness under or secured by this Mortgage or any of the Loan Documents, with interest thereon as provided herein or therein; and also in consideration of the sum of TEN DOLLARS (\$10.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents **MORTGAGE, GRANT, ASSIGN, REMISE, RELEASE, WARRANT AND CONVEY** unto Mortgagee, its successors and assigns, the real estate and all of its estate, right, title and interest therein situate, legally described in **EXHIBIT A** attached hereto and made a part hereof, which together with the property hereinafter described, is referred to herein as the "**Mortgaged Property**":

TOGETHER WITH all buildings and improvements now or hereafter constructed upon or erected upon or located on the real estate legally described in **EXHIBIT A** attached hereto, all tenements, easements, rights-of-way and rights used as a means of access thereto, all fixtures and appurtenances thereto now or hereafter belonging or pertaining to the real estate legally described in **EXHIBIT A** attached hereto, and all rents, issues, royalties, income, proceeds, profits and other benefits thereof, and any after-acquired title, franchise, or license and the reversions or remainders thereof, for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, refrigerators, curtain and drapery fixtures, partitions, attached floor covering, now or hereafter therein or thereon, and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing): all fixtures, apparatus, equipment and articles, that are affixed or attached, it being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property

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hereinabove described, real, which is affixed or annexed (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared, to the maximum extent permitted by law, to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby; and

TO HAVE AND TO HOLD the Mortgaged Property unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, together with all right to retain possession of the Mortgaged Property after any Event of Default (as hereinafter defined).

IT IS FURTHER UNDERSTOOD AND AGREED BY EACH MORTGAGOR, JOINTLY AND SEVERALLY, THAT:

1. Title.

Mortgagor represents and covenants that (a) the Mortgagor is the holder of the fee simple title to the Mortgaged Property, free and clear of all liens and encumbrances, except such liens and encumbrances as shall have been expressly approved in writing by Mortgagee, and (b) Mortgagor has legal power and authority to mortgage and convey the Mortgaged Property.

2. Maintenance; Repair and Restoration of Improvements; Payment of Prior Liens, etc.

Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Mortgaged Property which may become damaged or be destroyed, provided, however, to the extent Mortgagee receives any insurance or condemnation proceeds under Sections 6 or 7 of this Mortgage, Mortgagor shall only be required to repair, restore or rebuild the buildings or improvements if such insurance or condemnation proceeds are made available to Mortgagor in accordance with this Mortgage; (b) keep the Mortgaged Property in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien, except that Mortgagor shall have the right to contest by appropriate proceedings diligently prosecuted the validity or amount of any such lien if and only if Mortgagor shall within thirty (30) days after the filing thereof (1) place a bond with Mortgagee in an amount, form, content and issued by a surety reasonably acceptable to Mortgagee for the payment of any such lien or (2) cause the title company which has issued the loan policy of title insurance to Mortgagee insuring the lien of this Mortgage to issue an endorsement thereto insuring against loss or damage on account of any such lien; (c) immediately pay when due any indebtedness which may be secured by a lien or charge on the Mortgaged Property superior or inferior to or at parity with the lien hereof (no such superior, inferior or parity lien to be permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of any such lien to Mortgagee; (d) complete within a reasonable time any buildings or any other improvements now or at any time in process of construction upon the Mortgaged Property; (e) comply with all requirements of law, municipal ordinances and restrictions of record with respect to the Mortgaged Property and the use and development thereof, including without limitation, those relating to building, zoning, environmental protection, health, fire and safety; (f) make no material (i.e. having a

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value in excess of \$35,000 structural or non-structural alterations to the Mortgaged Property or any buildings or other improvements now or hereafter constructed thereon, without the prior written reasonable consent of Mortgagee; (g) suffer or permit no change in the general nature of the occupancy of the Mortgaged Property, without the prior written reasonable consent of Mortgagee; (h) initiate or acquiesce in no zoning reclassification without the prior written reasonable consent of Mortgagee; (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note; and (j) duly perform and observe all of the covenants, terms, provisions and agreements herein, in the Note or in the Loan Documents on the part of Mortgagor to be performed and observed. As used in this Paragraph and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by the Note, together with all interest thereon and all other amounts payable to Mortgagee thereunder, and all other sums at any time secured by this Mortgage and the other Loan Documents.

### 3. Payment of Taxes and Assessments.

Mortgagor shall pay before any penalty or interest attaches all general taxes, special taxes, special assessments, water charges, sewer service charges, and all other liens or charges levied or assessed against the Mortgaged Property, or any interest therein, of any nature whatsoever when due, and shall furnish to Mortgagee duplicate receipts of payment therefor. If any special assessment is permitted by applicable law to be paid in installments, Mortgagor shall have the right to pay such assessment in installments, so long as all such installments are paid prior to the due date thereof. Notwithstanding anything contained herein to the contrary, Mortgagor shall have the right to protest any taxes assessed against the Mortgaged Property, so long as such protest is conducted in good faith by appropriate legal proceedings diligently prosecuted and Mortgagor shall furnish to the title insurer such security or indemnity as said insurer requires to induce it to issue an endorsement, in form and substance acceptable to Mortgagee, insuring over any exception created by such protest.

### 4. Tax and Insurance Deposits.

Following an Event of Default which is continuing, if requested by Mortgagee in writing, Mortgagor covenants and agrees to deposit with Mortgagee, commencing ten (10) days following such written request and on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, a sum equal to (a) one-twelfth (1/12th) of the annual taxes and assessments (general and special) on the Mortgaged Property, as reasonably determined by Mortgagee, and (b) one-twelfth (1/12th) of the annual premiums payable for the insurance required to be maintained in accordance with Paragraph 6 hereof. In addition to the foregoing, following an Event of Default which is continuing, if requested by Mortgagee, Mortgagor shall deposit with Mortgagee an amount of money, which together with the aggregate of the monthly deposits to be made pursuant to (a) above as of one month prior to the date on which the total annual taxes and assessments for the current calendar year become due, shall be sufficient to pay in full the total annual taxes and assessments estimated by Mortgagee to become due and payable with respect to the Mortgaged Property for the current calendar year, and an amount of money, when together with the aggregate deposits to be made pursuant to (b) above as of one month prior to the date on which the



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next annual insurance premium becomes due, shall be sufficient to pay in full the total annual insurance premium estimated by Mortgagee to next become due and payable with respect to the Mortgaged Property. Such deposits are to be held without any allowance of interest and are to be used for the payment of taxes and assessments (general and special) and insurance premiums, respectively, on the Mortgaged Property next due and payable when they become due. Mortgagee may, at its option, itself pay such taxes, assessments and insurance premiums when the same become due and payable (upon submission of appropriate bills therefor from Mortgagor) or shall release sufficient funds to Mortgagor for payment of such taxes, assessments and insurance premiums. If the funds so deposited are insufficient to pay any such taxes, assessments (general or special) and premiums for any year when the same shall become due and payable, Mortgagor shall within ten (10) days after receipt of demand therefor, deposit additional funds as may be necessary to pay such taxes, assessments (general and special) and premiums in full. If the funds so deposited exceed the amount required to pay such taxes, assessments (general and special) and premiums for any year, the excess shall be applied on a subsequent deposit or deposits. Said deposits need not be kept separate and apart from any other funds of Mortgagee.

## 5. Mortgagee's Interest In and Use of Deposits.

In the Event of Default in any of the provisions contained in this Mortgage or the Note secured hereby, the Mortgagee may at its option, without being required so to do, apply any monies at the time on deposit pursuant to Paragraph 4 hereof, on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be irrevocably applied by Mortgagee for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of taxes, assessments and insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested Mortgagee in writing to make application of such funds to the payment of which they were deposited, accompanied by the bills for such taxes, assessments and insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

## 6. Insurance.

Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property now or hereafter situated on the Mortgaged Property insured against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee, including without limitation: (a) all-risk fire and extended coverage insurance, with vandalism and malicious mischief endorsements, for the full replacement value of the Mortgaged Property, with agreed upon amount and inflation guard endorsements; (b) if there are tenants under leases at the Mortgaged Property, rent and rental value or business loss insurance for the same perils described in (a) above payable at the rate per month and for the period specified from time to time by Mortgagee; (c) broad form boiler and sprinkler damage insurance in an amount reasonably satisfactory to Mortgagee, if

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and so long as the Mortgaged Property shall contain a boiler and sprinkler system, respectively; (d) if the Mortgaged Property are located in a flood hazard district, flood insurance in the maximum amount obtainable up to the amount of the indebtedness hereby secured; and (e) such other insurance as Mortgagee may from time to time reasonably require. Mortgagor also shall at all times maintain comprehensive public liability, property damage and workmen's compensation insurance covering the Mortgaged Property and any employees thereof, with such limits for personal injury, death and property damage as Mortgagee may reasonably require. All policies of insurance to be furnished hereunder shall be in forms, companies, amounts and deductibles reasonably satisfactory to Mortgagee, with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to Mortgagee and shall contain endorsements that no act or negligence of the insured or any occupant and no occupancy or use of the Mortgaged Property for purposes more hazardous than permitted by the terms of the policies will affect the validity or enforceability of such policies as against Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not-less than thirty (30) days prior to their respective dates of expiration.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard mortgage clause acceptable to Mortgagee. Mortgagor immediately shall notify Mortgagee whenever any such separate insurance is taken out and promptly shall deliver to Mortgagee the policy or policies of such insurance.

In the event of loss Mortgagor shall give immediate notice by mail to Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to Mortgagor and Mortgagee jointly. Any insurance proceeds so received by Mortgagee, or any part thereof, shall be applied by Mortgagee, after the payment of all of Mortgagee's expenses, including costs and reasonable attorneys' fees, to the restoration or repair of the property damaged as provided in Paragraph 22 hereof. In the event of foreclosure of this Mortgage, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale. Mortgagor shall furnish Mortgagee, without cost to Mortgagee, at the request of Mortgagee, from time to time, evidence of the replacement value of the Mortgaged Property.

## 7. Condemnation.

If all or any part of the Mortgaged Property are damaged, taken or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the remaining unpaid indebtedness secured by this instrument, is hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Mortgagor and the same shall be paid

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forthwith to Mortgagee, who shall release any such award or monies so received or apply the same in whole or in part, after the payment of all of its expenses, including costs and attorneys' fees, to the restoration or repair of the property damaged as provided in Paragraph 22 hereof, if in the reasonable judgment of Mortgagee the property can be restored or repaired to the condition existing immediately prior to the taking. If in the reasonable judgment of Mortgagee the said property cannot be restored or repaired to the condition existing immediately prior to the taking, then such award or monies received after the payment of expenses of Mortgagee as aforesaid shall be applied on account of the unpaid principal balance of the Note without a prepayment penalty or premium as set forth in the Note, irrespective of whether such principal balance is then due and payable and, at any time from and after the taking, upon thirty (30) days prior written notice to Mortgagor, Mortgagee may declare the whole of the indebtedness hereby secured to be due and payable. Furthermore, in the event such award or monies so received shall exceed the cost of restoration or repair of the property and expenses of Mortgagee as aforesaid, then such excess monies shall be applied on account of the unpaid principal balance of the Note without a prepayment penalty or premium as set forth in the Note, irrespective of whether such principal balance is then due and payable. Any application to the unpaid principal balance of the Note pursuant to this Paragraph 7 shall not extend the due date or reduce the amount of the principal and interest installments required to be paid under the Note. Notwithstanding the foregoing to the contrary, if any condemnation or taking of twenty five percent (25%) or less of the entire Mortgaged Property occurs and provided that no Event of Default and no event or circumstance which with the passage of time, the giving of notice or both, would constitute an Event of Default then exists, and if such partial condemnation, in the reasonable judgment of Mortgagee, has no material adverse effect on the operation or value of the Mortgaged Property, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by the Mortgagor, and the Mortgagee hereby agrees that in such event it shall not declare the indebtedness to be due and payable, if it is not otherwise due and payable.

## 8. Stamp Tax.

If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage or the issuance of the Note hereby secured, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to reimburse Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note secured hereby. Notwithstanding the foregoing, Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee.

## 9. Observance of Lease Assignment.

As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Mortgagor, as lessor, has assigned to Mortgagee the entire lessor's right, title and interest in and to all leases and subleases (including all extensions and renewals thereof) which now or hereafter affect all or any portion of the Mortgaged Property and in



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and to all rents, issues, income and profits of or from all or any portion of the Mortgaged Property pursuant to the Assignment of Rents and Leases of even date herewith.

Mortgagor shall not, without Mortgagee's prior written consent, (a) execute an assignment or pledge of any rents and/or any leases affecting all or any portion of the Mortgaged Property; or (b) accept any prepayment of any installment of any rents more than thirty (30) days before the due date of such installment, other than security and other deposits.

Mortgagor at its sole cost and expense shall (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases affecting all or any portion of the Mortgaged Property, on the part of the lessor thereunder to be kept and performed, (ii) use its best efforts to enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the lessees to be kept and performed; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of the lessor or of the lessees thereunder; (iv) as additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, transfer and assign to Mortgagee any lease or leases of the Mortgaged Property heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment; (v) give written notice to Mortgagee within ten (10) days of the occurrence of any material default under any lease affecting all or any portion of the Mortgaged Property; and (vi) exercise within ten (10) business days of any demand therefor by Mortgagee any right to request from the lessee under any lease affecting all or any portion of the Mortgaged Property a certificate with respect to the status thereof.

Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagor as lessor under any of the leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the lessor, each and all of which covenants and payments Mortgagor agrees to perform and pay.

In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each Lease affecting all or any portion of the Mortgaged Property shall, at the option of Mortgagee, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as lessor under such Lease without change in the terms or other provisions thereof; provided, however, that such successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the consent of Mortgagee or such successor in interest. Each lessee, upon request by such successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

Mortgagee shall have the option to declare this Mortgage (after the expiration of the cure period expressly provided for in Paragraph 14(b) below) in default because of a material default of the lessor in any lease affecting all or any portion of the Mortgaged Property, whether or not such

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default is cured by Mortgagee pursuant to the right granted herein. It is covenanted and agreed that a default remaining uncured after the expiration of any applicable cure periods expressly provided for under the Assignment of Rents and Leases referred to in the first grammatical paragraph of this Paragraph 9 shall constitute an Event of Default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of Mortgagee, become immediately due and payable without notice to Mortgagor.

## 10. Effect of Extensions of Time.

If the payment of said indebtedness or any part thereof be extended or varied or if any part of any security for the payment of the indebtedness be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property or having an interest in Mortgagor, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

## 11. Effect of Changes in Laws Regarding Taxation.

In the event of the enactment after this date of any law of the state in which the Mortgaged Property are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or the indebtedness secured hereby or the holders thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that Mortgagor shall not be deemed to be required to pay any income or franchise taxes of Mortgagee. Notwithstanding the foregoing, if in the opinion of counsel for Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable thirty (30) days from the giving of such notice.

## 12. Mortgagee's Performance of Defaulted Acts and Expenses Incurred by Mortgagee

If an Event of Default has occurred, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or consent to any tax or assessment or cure any default of Mortgagor in any lease of the Mortgaged Property. If an Event of Default has occurred, Mortgagee may, but shall not be required to, complete construction, furnishing and equipping of any buildings or other improvements now or at any time hereafter on the

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Mortgaged Property, and rent, operate and manage the Mortgaged Property and such buildings and improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Mortgaged Property and such buildings and improvements shall be operational and usable for their intended purposes. Following an Event of Default and during the continuance thereof, all monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraph 8 above or to protect the Mortgaged Property or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at an annual rate (the "**Default Rate**") equal to four percent (4%) plus the Loan Rate (as defined in the Note) then in effect under the Note. In addition to the foregoing, any costs, expenses and fees, including actual reasonable attorneys' fees, incurred by Mortgagee following any such Event of Default hereunder and during the continuance thereof in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting and enforcing any of Mortgagee's rights hereunder, (c) recovering any indebtedness secured hereby, (d) any litigation or proceedings affecting the Note, this Mortgage, the Mortgaged Property or any guarantor or co-maker of the Note or this Mortgage, including without limitation, bankruptcy and probate proceedings, or (e) preparing for the commencement, defense or participation in any threatened litigation or proceedings, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate. The interest accruing under this Paragraph 12 shall be immediately due and payable by Mortgagor to Mortgagee, and shall be additional indebtedness evidenced by the Note and secured by this Mortgage. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Should the proceeds of the Note or any part thereof, or any amount paid out or advanced by Mortgagee hereunder, or pursuant to any agreement executed by Mortgagor in connection with the loan evidenced by the Note, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Mortgaged Property or any part thereof, then as additional security hereunder, Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released-of record by the holder thereof upon payment. Notwithstanding anything contained herein to the contrary, in no event shall the indebtedness secured by this Mortgage exceed an amount equal to Four Million Three Hundred Thousand and No/100 Dollars (\$4,300,000.00).

### 13. Mortgagee's Reliance on Tax Bills and Claims for Liens.

Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or

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amount of any claim for lien which may be asserted, provided that if no Event of Default then exists hereunder Mortgagee shall give to Mortgagor ten (10) days' prior written notice thereof.

## 14. Acceleration of Indebtedness in Event of Default.

Each of the following shall constitute an “**Event of Default**” for purposes of this Mortgage:

(a) Mortgagor fails to pay within five (5) days of when due (i) any installment of principal or interest payable pursuant to the Note, or (ii) any other amount payable pursuant to the Note, this Mortgage or any of the other Loan Documents;

(b) Mortgagor fails to promptly perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Mortgagor under (i) the Note, (ii) this Mortgage, (iii) the Assignments of Kents and Leases of even date herewith made by Mortgagor to Mortgagee; (iv) that certain Guaranty (the “**Guaranty**”) of even date herewith made by Joseph Seigle (the “**Guarantor**”), and (v) any and all other documents or instruments evidencing or securing the Note or delivered to induce Mortgagee to disburse the proceeds thereof (the Note, this Mortgage, the Guaranty and documents described above, all inclusive, being hereinafter collectively referred to as the “**Loan Documents**”); provided, however, that Mortgagor shall have a period not to exceed thirty (30) days after written notice of such failure of performance or observance to cure the same and an Event of Default shall not be deemed to exist during said thirty (30) day period, unless the continued operation or safety of the Mortgaged Property, or the priority, validity or enforceability of this Mortgage or the lien hereof or the lien of any of the other Loan Documents, or the value of the Mortgaged Property is impaired, threatened or jeopardized in which cases no notice is required and an Event of Default shall be deemed to immediately exist, it being further provided if such failure is not capable of cure within such 30-day period and Mortgagor commences during such 30-day period such cure and thereafter diligently and continuously pursues said cure (for a period not to exceed 90 days), no Event of Default shall be deemed to have occurred hereunder;

(c) The existence of any inaccuracy or untruth in any material representation, covenant or warranty contained in this Mortgage or any of the other Loan Documents or of any statement or certification as to facts delivered to Mortgagee by Mortgagor, any co-maker or guarantor of the Note, or any applicant for the loan evidenced by the Note.

(d) At any time any Mortgagor or any guarantor or co-maker of the Note files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal, state, or other statute or law, or seeks or consents to or acquiesces in the appointment of any trustee, receiver or



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similar officer of any such Mortgagor or any guarantor or co-maker of the Note, or of all or any substantial part of the property of any Mortgagor or any guarantor or co-maker of the Note or any of the Mortgaged Property;

(e) The commencement of any involuntary petition in bankruptcy against any Mortgagor or any guarantor or co-maker of the Note, or the institution against Mortgagor or any guarantor or co-maker of the Note of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, the appointment of a receiver, trustee or similar officer for all or any substantial part of the property of Mortgagor or any guarantor or co-maker of the Note, which shall remain undismissed or undischarged for a period of ninety (90) days;

(f) Any sale, transfer, lease, assignment, conveyance, financing, lien or encumbrance made in violation of Paragraph 27 of this Mortgage; or

(g) The existence of an Event of Default under any of the other Loan Documents.

(h) While the Adjacent Note is outstanding, any Event of Default under the Adjacent Mortgage or Adjacent Note.

(i) 90 days after the death or legal incompetency of the Guarantor if such Guarantor is not replaced by a new guarantor reasonably acceptable to Mortgagee.

(j) At any time, the Net Income generated by the Mortgaged Property and the Adjacent Property, is less than 1.25x the Debt Payments of Guarantor and Mortgagor. For purposes of this Mortgage, (i) the term Net Income shall mean the amount, for the previous twelve months, of net income, as determined in accordance with GAAP plus interest expense, amortization expense, depreciation expense and other non-cash expenses for such period, and (ii) the term Debt Payments shall mean the aggregate amount of interest and principal paid or payable pursuant to this Mortgage, the Note, the Adjacent Mortgage and the Adjacent Note for the previous twelve months.

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the indebtedness hereby secured to be immediately due and payable without notice to Mortgagor, with interest thereon from the date of such Event of Default at the Default Rate. If while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Mortgaged Property, as set forth in Paragraph 22 hereof, Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.



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## 15. Foreclosure; Expense of Litigation.

When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof and/or exercise any right, power or remedy provided in this Mortgage or any of the other Loan Documents. It is further agreed that if default be made in the payment of any part of the secured indebtedness as an alternative to the right of foreclosure for the full secured indebtedness after acceleration thereof, Mortgagee shall have the right to institute partial foreclosure proceedings with respect to the portion of said indebtedness in default, as if under a full foreclosure, and without declaring the entire secured indebtedness due (such proceeding being hereinafter referred to as a "**partial foreclosure**"), and provided that if foreclosure sale is made because of default of a part of the secured indebtedness, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of the secured indebtedness; and it is agreed that such sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured part of the secured indebtedness, but as to such unmatured part this Mortgage, the lien hereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Paragraph. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the secured indebtedness by reason of any uncured default or defaults upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any unmatured part of the secured indebtedness, it being the purpose to provide for a partial foreclosure sale of the secured indebtedness without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any such partial foreclosure for any other part of the secured indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure. In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at such sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

In any suit to foreclose or partially foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be incurred in the enforcement of Mortgagor's obligations hereunder, the protection of said Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed

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by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate and shall be secured by this Mortgage.

16. Application of Proceeds of Foreclosure Sale.

The proceeds of any foreclosure (or partial foreclosure) sale of the Mortgaged Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph 15 hereof; second, all other items which may under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided and all principal and interest remaining unpaid on the Note; and third, any surplus to Mortgagor, its successors or assigns, as their rights may appear.

17. Appointment of Receiver.

Upon, or at any time after the filing of a complaint to foreclose (or partially foreclose) this Mortgage, the court in which such complaint is filed may appoint a receiver of the Mortgaged Property. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

18. Mortgagee's Right of Possession in Case of Default.

In any case in which under the provisions of this Mortgage Mortgagee has a right to institute foreclosure proceedings, Mortgagor shall forthwith and upon demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take, actual possession of the Mortgaged Property or any part thereof personally, or by its agents or attorneys, as for condition broken. Mortgagee's rights and remedies under this Paragraph 18 shall be effective whether before or after the whole principal sum secured hereby is declared to be immediately due and payable hereunder, or whether before or

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after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder. In the event Mortgagee is entitled to take possession of the Mortgaged Property, Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Mortgaged Property relating thereto, and may exclude Mortgagor or their respective employees, agents or servants, wholly therefrom. In such case Mortgagee, under the powers herein granted, may hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents. Mortgagee shall have full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Mortgaged Property, including actions for the recovery of rent, actions, in forcible detainer and action in distress for rent. Mortgagee shall have full power:

- (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;
- (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof;
- (c) to extend or modify any then existing leases and to enter new leases, which extensions, modifications and leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured hereby and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser;
- (d) to make any repairs, decorating renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property as to it may seem judicious;
- (e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and
- (f) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Mortgagor.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any lease. To the extent permitted by law, Mortgagor shall and does hereby agree to protect, indemnify, defend and hold Mortgagee

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harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases except for such claims and demands as result directly from the negligent or willful actions of Mortgagee. Should Mortgagee incur any such liability, loss or damage under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest at the Default Rate.

19. Application of Income Received by Mortgagee.

Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues and profits of the Mortgaged Property to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the Mortgaged Property, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions (out not with respect to the renewal of existing leases unless provided for therein) and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Mortgaged Property; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Mortgaged Property, including the cost from time to time of installing or replacing refrigeration and gas or electric stoves therein, and of placing the Mortgaged Property in such condition as will, in the judgment of Mortgagee, make them readily rentable; and

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

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## 20. Rights Cumulative.

Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing under any of the Loan Documents or any other document given to secure the Note or at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

## 21. Mortgagee's Right of Inspection.

Upon reasonable notice, Mortgagee and/or its representative shall have the right to inspect the Mortgaged Property at all reasonable times and access thereto shall be permitted for that purpose.

## 22. Disbursement of Insurance or Eminent Domain Proceeds.

(a) Before commencing to repair, restore or rebuild following damage to, or destruction of, all or a portion of the Mortgaged Property, whether by fire or other casualty or by a taking under the power of eminent domain, Mortgagor shall obtain from Mortgagee its approval of all site and building plans and specifications pertaining to such repair, restoration or rebuilding which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Prior to the payment or application of insurance proceeds or a condemnation or eminent domain award to the repair or restoration of the improvements upon the Mortgaged Property as provided in Paragraphs 6 and 7 above, Mortgagee shall be entitled to evidence of the following:

(i) That there is not then an Event of Default;

(ii) That Mortgagee shall first be given reasonably satisfactory proof that either such improvements have been fully restored, or that the expenditure of money as may be received from such insurance proceeds or condemnation award will be sufficient to repair, restore or rebuild the Mortgaged Property, free and clear of all liens, claims and encumbrances, except the lien of this Mortgage;

(iii) That in the event such insurance proceeds or condemnation award shall be insufficient to repair, restore or rebuild the said improvements, Mortgagor or its lessee(s) shall deposit with Mortgagee funds equaling such deficiency, which,



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together with the insurance proceeds or condemnation award, shall be sufficient to restore, repair and rebuild the Mortgaged Property; and

(iv) That prior to the disbursement of any such proceeds (or partial proceeds) held by Mortgagee in accordance with the terms of this Paragraph 22 for the cost of any repair, restoration or rebuilding, Mortgagee shall be furnished with a statement of Mortgagor's architect, certifying the extent of the repair and restoration completed to the date thereof, and such repairs, restoration, and rebuilding have been performed to date in conformity with the plans and specifications approved by Mortgagee and with all statutes, regulations or ordinances (including building and zoning ordinances) affecting the Mortgaged Property; and Mortgagee shall be furnished with appropriate evidence of payment for labor or materials furnished to the Mortgaged Property, and total or partial lien waivers substantiating such payments.

(c) Prior to the payment or application of insurance proceeds or a condemnation award to the repair, restoration or rebuilding of the improvements upon the Mortgaged Property as provided in Paragraphs 6 and 7 above there shall have been delivered to Mortgagee the following:

(i) A waiver of subrogation from any insurer who claims that no liability exists as to Mortgagor;

(ii) Such plans and specifications, such payment and performance bonds and such insurance, in such amounts, issued by such company or companies and in such forms and substance, as are required by Mortgagee.

(d) In the event Mortgagor shall fail to restore, repair or rebuild the improvements upon the Mortgaged Property within a reasonable time, then Mortgagee, at its option, and upon not less than thirty (30) days' written notice to Mortgagor, may commence to restore, repair or rebuild the said improvements for or on behalf of Mortgagor, and for such purpose, may perform all necessary acts to accomplish such restoration, repair or rebuilding. In the event insurance proceeds or condemnation award shall exceed the amount necessary to complete the repair, restoration or rebuilding of the improvements upon the Mortgaged Property, such excess shall be applied on account of the unpaid principal balance of the Note without a prepayment penalty or premium as set forth in the Note, irrespective of whether such balance is then due and payable.

(e) In the event: Mortgagor commences the repair or rebuilding of the improvements located on the Mortgaged Property, but fails to comply with the conditions precedent to the payment or application of insurance proceeds or a condemnation or eminent domain award set forth in this Paragraph 22; or Mortgagor shall fail to restore, repair or rebuild the improvements upon the Mortgaged Property within a reasonable time, and if Mortgagee does not restore, repair or rebuild the said improvements as provided in subparagraph (d) above;

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then Mortgagee may, at its option, accelerate the indebtedness evidenced by the Note and apply all or any part of the insurance proceeds or condemnation award against the indebtedness secured hereby without a prepayment penalty or premium as set forth in the Note.

23. Release Upon Payment and Discharge of Mortgagor's Obligations;  
Partial Release.

Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby, including payment of reasonable expenses incurred by Mortgagee in connection with the execution of such release. Any such partial release shall not impair in any manner the validity or priority of this Mortgage on the portion of the Mortgaged Property or the security remaining, nor release the personal liability of any person, persons or entity obligated to pay any indebtedness secured hereby, for the full amount of the indebtedness remaining unpaid.

24. Notices.

Any notice or demand required or permitted to be given under this Mortgage shall be in writing and shall be personally delivered or mailed by United States certified mail, return receipt requested or with a courier or express service guaranteeing overnight delivery, addressed as follows:

To Mortgagee: The Northern Trust Company  
50 South LaSalle Street  
Chicago, Illinois 60675  
Attention: Thomas Reckley

With copy to: Freeborn & Peters  
311 South Wacker Drive  
Suite 3000  
Chicago, Illinois 60606  
Attention: Cynthia A. Bergmann, Esq.

To Mortgagor: JFS 1913-19 North Avenue, LLC  
401 North Michigan Avenue  
Suite 1750  
Chicago, Illinois 60611  
Attention: Joseph Seigle

With copy to: Dykema Gosstt PLLC  
10 South Wacker Drive  
Suite 2300  
Chicago, Illinois 60606

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Attention: Robert C. Linton, Esq.

Either party may designate a different address for notice purposes by giving notice thereof in accordance with this Paragraph 24. Any notice or demand given by (a) United States mail shall be deemed given on the second business day after the same is deposited in the United States mail as certified mail (b) deposit with a courier or express service guaranteeing overnight delivery shall be deemed given one business day following deposit with said courier or express service, addressed as above provided with postage thereon fully prepaid.

25. Waiver of Defenses.

No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

26. Waiver of Rights

Mortgagor hereby covenants and agrees that to the extent permitted by law, Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. To the extent permitted by law, Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety.

27. Transfer of Mortgaged Property; Further Encumbrance.

In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Mortgagor and the guarantor(s) and co-maker of the Note (if applicable), found it acceptable and relied and continues to rely upon same as the means of repayment of the Note. Mortgagee also evaluated the background and experience of Mortgagor and the guarantor(s) and co-maker of the Note (if applicable) in owning and operating property such as the Mortgaged Property, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Mortgaged Property which is Mortgagee's security for the Note. Mortgagor and the guarantor(s) and co-maker of the Note (if applicable) are well-experienced in borrowing money and owning and operating property such as the Mortgaged Property, were ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Mortgagor also recognizes that any further secondary or junior financing placed upon the Mortgaged Property (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract

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from the value of the Mortgaged Property should Mortgagee come into possession thereof with the intention of selling same; and (d) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Mortgaged Property.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment and of value of the Mortgaged Property; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor and Mortgagor's beneficiary; (iii) allowing Mortgagee to raise the interest rate and collect assumption fees; and (iv) keeping the Mortgaged Property free of subordinate financing liens, Mortgagor, and any guarantor(s) or co-maker of the Note agree that if this paragraph be deemed a restraint on alienation, that it is a reasonable one, and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Mortgaged Property, or any interest in the Mortgaged Property (whether voluntary or by operation of law), including without limitation, the entering into of an installment agreement for the sale of the Mortgaged Property, the placement or granting of liens on all or any part of the Mortgaged Property or the placement or granting of chattel mortgages, conditional sales contracts, financing or security agreements which would be or create a lien on the personal property utilized in the operation of the Mortgaged Property, or the placement or granting of a mortgage commonly known as a "wrap around" mortgage or an improvement loan, without Mortgagee's prior written consent shall be an Event of Default under this Mortgage except for a Permitted Transfer which shall not require Mortgagee's consent. Any consent by Mortgagee, or any waiver by Mortgagee of an Event of Default under this paragraph shall not constitute a consent to, or waiver of any right, remedy or power of Mortgagee upon a subsequent Event of Default under this Paragraph 27. Mortgagor acknowledges that any agreements, liens, charges or encumbrances created in violation of the provisions of this Paragraph 27 shall be void and of no force or effect.

For purposes of this Mortgage, a Permitted Transfer shall mean any sale, conveyance or assignment of direct or indirect ownership interests in Mortgagor to immediate family members of the Guarantor (as of the date hereof); provided that in the case of transfers described in the preceding sentence, above, (i) after giving effect to such transfer, Mortgagor shall be controlled by and at least twenty-five percent (25%) owned by Guarantor, and (ii) after giving effect to such transfer, at least fifty-one percent (51%) owned by Guarantor and his immediate family members, and (iii) Mortgagee is provided with prior written notice of any such transfer, and (iv) concurrently with any such transfer of direct ownership interests in Mortgagor, Mortgagor delivers to Mortgagee an updated schedule of the members of Mortgagor and their respective ownership interests in Mortgagor.

## 28. Expenses Relating to Note and Mortgage.

Mortgagor will pay all actual reasonable expenses, charges, costs and fees relating to the loan evidenced by the Note and secured by this Mortgage or necessitated by the terms of the Note, this Mortgage or any of the other Loan Documents, including without limitation, Mortgagee's reasonable attorneys' fees in connection with the negotiation, documentation, administration, servicing and

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enforcement of the Note, this Mortgage and the other Loan Documents, all filing, registration or recording fees, all other expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes, and other taxes (provided Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee), duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note and this Mortgage. Mortgagor recognizes that, during the term of the Mortgage, Mortgagee:

(a) may be involved in court or administrative proceedings, including, without restricting the foregoing, foreclosure, probate, bankruptcy, creditors' arrangements, insolvency, housing authority and pollution control proceedings of any kind, to which Mortgagee shall be a party by reason of the Loan Documents or in which the Loan Documents or the Mortgaged Property are involved directly or indirectly;

(b) may make preparations following the occurrence of an Event of Default hereunder for the commencement of any suit for the foreclosure hereof, which may or may not be actually commenced;

(c) may make preparations following the occurrence of an Event of Default hereunder for, and do work in connection with, Mortgagee's taking possession of and managing the Mortgaged Property, which event may or may not actually occur;

(d) may make preparations for and commence other private or public actions to remedy an Event of Default hereunder, which other actions may or may not be actually commenced;

(e) may enter into negotiations with Mortgagor and/or any guarantor or co-maker of the Note, or any of their respective agents, employees or attorneys, in connection with the existence or curing of any Event of Default hereunder, the sale of the Mortgaged Property, the assumption of liability for any of the indebtedness represented by the Note or the transfer of the Mortgaged Property in lieu of foreclosure; or

(f) may enter into negotiations with Mortgagor and/or any guarantor or co-maker of the Note, or any of their respective agents, employees or attorneys, pertaining to Mortgagee's approval of actions taken or proposed to be taken by Mortgagor and/or any guarantor or co-maker of the Note, which approval is required by the terms of this Mortgage.

All expenses, charges, costs and fees described in this Paragraph 28 shall be so much additional indebtedness secured hereby, shall bear interest at from the date so incurred until paid at the Default Rate and shall be paid, together with said interest, by Mortgagor forthwith upon demand.

29. Business Purpose.



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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 Paragraph (l)(c) of Section 6404, Chapter 17 of the Illinois Revised Statutes, as amended, and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph.

## 30. Financial Statements.

Mortgagor shall cause to be delivered to Mortgagee, (i) within thirty (30) days after the filing of annual tax returns, annual tax returns of the Mortgaged Property and the Mortgagor certified to be true, complete and correct by the person or entity to which they apply and in such detail as Mortgagee may reasonably require, (ii) within ninety (90) days after the close of each calendar year, the annual operating statements and current rent roll for the Mortgaged Property certified to be true, complete and correct by the Mortgagor and in such detail as Mortgagee may reasonably require and (iii) within ninety (90) days after the close of each calendar year, proof of insurance demonstrating that all insurance policies are in compliance with Paragraph 6 of this Mortgage.

## 31. Statement of Indebtedness.

Mortgagor, within seven (7) days after being so requested by Mortgagee, shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, the date to which interest has been paid and stating either that no offsets or defenses exist against the Mortgage debt or, if such offsets or defenses are alleged to exist, the nature thereof.

## 32. Further Instruments.

Upon request of Mortgagee, Mortgagor shall execute, acknowledge and deliver all such additional instruments and further assurances of title and shall do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the intent of this Mortgage and of the other Loan Documents.

33. Compliance Certificate. Within ninety (90) days after the close of each calendar year, and as often as Mortgagee may reasonably request, Mortgagor shall furnish to Mortgagee a Compliance Certificate setting forth, with such sufficient detail as Mortgagee may reasonably require, (i) the Net Income of the Mortgaged Property and the Adjacent Property for the previous twelve months, and (ii) the Debt Payments made under the Note, the Mortgage, the Adjacent Note and the Adjacent Mortgage for the previous twelve months.

## 34. Indemnity.

Except in respect of Mortgagee's willful and wanton misconduct or gross negligence, Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers granted to Mortgagee in this Mortgage, and

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Mortgagor hereby expressly waives and releases any such liability. Mortgagor shall indemnify and save Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including reasonable attorneys' fees and court costs) of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: the making of the loan evidenced by the Note and secured by this Mortgage; any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; the offer for sale or sale of all or any portion of the Mortgaged Property; and/or the ownership, leasing, use, operation or maintenance of the Mortgaged Property; provided, however, that Mortgagor shall not be obligated to indemnify or hold Mortgagee harmless from and against any claims directly arising from the gross negligence or willful misconduct of Mortgagee. All costs provided for herein and paid for by Mortgagee shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest at the Default Rate.

## 35. Waiver of Right of Redemption.

Each 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, all persons and entities interested beneficially in Mortgagor and each and every person acquiring any interest in, or title to, the Mortgaged Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of Chapter 110, Section 12-124 and Chapter 110, Section 12-125 of the Illinois Revised Statutes or other applicable law or replacement statutes. Mortgagor waives all rights of reinstatement under 735 ILCS 5/15-1602 to the fullest extent permitted by law.

## 36. Miscellaneous.

### (a) Successors and Assigns.

This Mortgage and all provisions hereof shall be binding upon and enforceable against Mortgagor and its successors and permitted assigns, any subsequent owner or owners of the Mortgaged Property who acquire the Mortgaged Property subject to this Mortgage and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. This Mortgage and all provisions hereof shall inure to the benefit of Mortgagee, its successors and assigns and any holder or holders, from time to time, of the Note.

### (b) Invalidity of Provisions.

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In the event one or more of the provisions contained in this Mortgage or the Note or in any security documents given to secure the payment of the Note secured hereby shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. This Mortgage and the Note it secures are to be construed and governed by the laws of the State of Illinois.

(c) Municipal and Zoning Requirements.

Mortgagor shall not by act or omission permit any building or other improvement on premises not subject to the lien of this Mortgage to rely on the Mortgaged Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Mortgaged Property or any interest therein to be so used. Similarly, no building or other improvement on the Mortgaged Property shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Mortgaged Property as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

(d) Rights of Tenants.

Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a Decree of Foreclosure and Sale subject to the rights of any tenant or tenants of the Mortgaged Property having an interest in the Mortgaged Property prior to that of Mortgagee. The failure to join any such tenant or tenants of the Mortgaged Property as party defendant or defendants in any such civil action or the failure of any Decree of Foreclosure and Sale to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

(e) Option of Mortgagee to Subordinate.

At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the Mortgaged Property upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county wherein the Mortgaged Property are situated, of a unilateral declaration to that effect.

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(f) Use of Proceeds.

Mortgagor warrants that the proceeds evidenced by the Note secured hereby will not be used for the purchase of registered equity securities within the purview of Regulation G issued by the Board of Governors of the Federal Reserve System.

(g) Mortgagee in Possession.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Mortgaged Property by Mortgagee pursuant to this Mortgage.

(h) Relationship of Mortgagee and Mortgagor.

Mortgagee shall in no event be construed for any purpose to be a partner, joint venturer, agent or associate of Mortgagor or of any beneficiary, lessee, operator, concessionaire or licensee of Mortgagor in the conduct of their respective businesses, and without limiting the foregoing, Mortgagee shall not be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a Mortgagee in possession or exercising any rights pursuant to this Mortgage, any of the other Loan Documents, or otherwise.

(i) Time of the Essence.

Time is of the essence of the payment by Mortgagor and its beneficiary of all amounts due and owing to Mortgagee under the Note and the performance and observance by Mortgagor of all terms, conditions, obligations and agreements contained in this Mortgage.

(j) No Merger.

It being the desire and intention of the parties hereto that the Mortgage and the lien thereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interest in or to the Mortgaged Property or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

(k) Value for Purposes of Insurance.

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Upon request by Mortgagee, Mortgagor agrees to furnish evidence of replacement value, without cost to Mortgagee, of the type which is regularly and ordinarily made for insurance companies, with respect to the buildings and improvements on the Mortgaged Property.

(l) Late Charges.

The Note requires the payment of a late charge in the event any installment of principal and/or interest due thereunder and/or any escrow fund payment for taxes and insurance due hereunder shall become overdue for a period in excess of fifteen (15) days. The Note requires the payment to Mortgagee of a late charge of five cents (5 cents) for each dollar so overdue to defray part of the cost of collection. Said late charge shall be secured hereby as indebtedness as that term is defined in Paragraph 2 hereof.

(m) Joint and Several Obligations.

Intentionally omitted.

37. Subordination of Property Manager's Lien.

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 by, through or under the property manager may have pursuant to Chapter 82, Section 1 of the Illinois Revised Statutes. 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 are located. In addition, Mortgagor shall cause the property manager to enter into a Subordination of Management Agreement with Mortgagee, in recordable form, whereby the property manager subordinates present and future lien rights and those of any party claiming by, through or under the property manager, to the lien of this Mortgage.

38. Security Agreement and Financing Statement.

Mortgagor and Mortgagee agree: (a) that this Mortgage shall constitute a Security Agreement within the meaning of Section 9-402(6) of the Code with respect to all sums on deposit with Mortgagee pursuant hereto ("**Deposits**") and with respect to any property included in the definition herein of the word "Mortgaged Property,"; and (b) that a security interest in and to the Deposits is hereby granted to the Mortgagee; and (c) that the Deposits and all of Mortgagor's right, title and interest therein are hereby collaterally assigned to Mortgagee; all to secure payment of the indebtedness hereby secured and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.



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Upon the occurrence of any Event of Default hereunder, Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to the real property in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply.

Mortgagor shall, from time to time, upon written request of Mortgagee and at Mortgagor's sole cost, deliver to Mortgagee: such further financing statements and security documents and assurances as Mortgagee may require, to the end that the liens and security interests created hereby shall be and remain perfected and protected in accordance with the requirements of any present or future law.

#### 39. Compliance with Environmental Laws.

In addition to all other provisions of this Mortgage, Mortgagor, at its cost and expense, shall comply with all laws, statutes, ordinances, rules and regulations of any governmental authority ("Agency") having jurisdiction thereof concerning environmental matters, including, but not limited to, any discharge (whether before or after the date of this Mortgage) into the air, waterways, sewers, soil or ground water or any substance or "pollutant". Mortgagee and its agents and representatives shall have access to the Mortgaged Property upon reasonable advanced notice to Mortgagor (such access not to unreasonably interfere with the activities of Mortgagor upon the Mortgaged Property) and to the books and records of Mortgagor and any occupant of the Mortgaged Property claiming under Mortgagor for the purpose of ascertaining the nature of the activities being conducted thereon and to determine the type, kind and quantity of all products, materials and substances brought onto the Mortgaged Property or made or produced thereon. Mortgagor and all occupants of the Mortgaged Property claiming under Mortgagor or Mortgagor's beneficiary shall provide to the Mortgagee copies of all manifests, schedules, correspondence and other documents of all types and kinds when filed or provided to an Agency or as such are received from any Agency. Mortgagee and its agents and representatives shall have the right to take samples in quantity sufficient for scientific analysis of all products, materials and substances present on the Mortgaged Property including, but not limited to, samples of products, materials or substances brought onto or made or produced on the Mortgaged Property by the Mortgagor, or an occupant claiming under Mortgagor or otherwise present on the Mortgaged Property.

#### 40. Compliance with Illinois Mortgage Foreclosure Law.

(a) In the event that any provision of this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (Chapter 110, Sections 15-1101 et seq., Illinois Revised Statutes) (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.

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(b) 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.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Section 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in Paragraphs 12 or 15 of this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

41. Mutual Waiver of Right to Trial by Jury. MORTGAGOR AND MORTGAGEE (BY ITS ACCEPTANCE HEREOF) HEREBY MUTUALLY (A) WAIVE THE RIGHT TO TRIAL BY JURY IN ANY CIVIL ACTION, CLAIM, COUNTERCLAIM, CROSS-CLAIM, THIRD-PARTY CLAIM, DISPUTE, DEMAND, SUIT OR PROCEEDING ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE NOTE, THIS MORTGAGE, ANY OF THE OTHER LOAN DOCUMENTS, OR THE LOAN EVIDENCED OR SECURED THEREBY, OR ANY RENEWAL, EXTENSION, OR MODIFICATION THEREOF, OR ANY CONDUCT OF EITHER PARTY RELATING THERETO, AND (B) AGREE THAT ANY SUCH ACTION, CLAIM, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY.

42. Jurisdiction. TO INDUCE THE MORTGAGEE TO CONTINUE EXTENDING CREDIT TO THE MORTGAGOR, THE MORTGAGOR IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OR IN CONSEQUENCE OF THIS MORTGAGE SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE CITY OF CHICAGO, ILLINOIS. THE MORTGAGOR HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING ITS SITUS IN CHICAGO, ILLINOIS AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. THE MORTGAGOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND TO THE SERVICE OF PROCESS BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO THE MORTGAGOR AT THE ADDRESS INDICATED IN THE MORTGAGEE'S RECORDS IN THE MANNER PROVIDED BY APPLICABLE STATUTE, LAW, RULE OF COURT OR OTHERWISE. FURTHERMORE, EXCEPT AS REQUIRED BY LAW OR IN THE LOAN DOCUMENTS, THE MORTGAGOR WAIVES ALL NOTICES AND DEMANDS IN CONNECTION WITH THE ENFORCEMENT OF THE MORTGAGEE'S RIGHTS HEREUNDER.

43. Liquidity Requirement. Mortgagor or Guarantor shall maintain an account with Mortgagee in an amount not less than \$100,000.00 (the "**Liquidity Requirement**"), provided, however, if the Net Income generated by the Mortgaged Property and the Adjacent Property is 1.40x or greater than the Debt Payments of the Guarantor and Mortgagor for any calendar year as determined by Mortgagee in its reasonable discretion, Mortgagor and Guarantor shall no longer be required to meet the Liquidity Requirement.

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[Signatures on following page]

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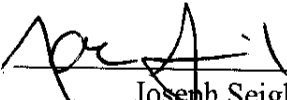


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IN WITNESS WHEREOF, Mortgagor has executed this instrument the day and year first above written.

**JFS 1913-19 NORTH AVENUE, LLC,**  
an Illinois limited liability company

By: JFS Realty Capital LLC,  
an Illinois limited liability company,  
its Manager

By:   
Joseph Seigle, Manager

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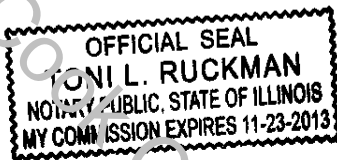
STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF                 )

I, Toni L. Ruckman, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Joseph Seigle, the Manager of JFS Realty Capital LLC, the Manager of JFS 1913-19 North Avenue, LLC, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his/her own free and voluntary act for the uses and purposes therein.

Given under my hand and Notarial Seal this 18<sup>th</sup> day of March, 2010.

Toni L. Ruckman  
Notary Public

My Commission Expires:



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## EXHIBIT A

### LEGAL DESCRIPTION OF MORTGAGED PROPERTY

LOTS 5, 6 AND 7 IN BLOCK 3 IN PICKET'S SECOND ADDITION TO CHICAGO, BEING LOT 4 OF ASSESSOR'S DIVISION OF PART OF THE NORTH 1/2 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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## EXHIBIT B

### LEGAL DESCRIPTION OF ADJACENT PROPERTY

LOT 8 IN BLOCK 3 IN PICKET'S SECOND ADDITION TO CHICAGO, BEING LOT 4 OF ASSESSOR'S DIVISION OF PART OF THE NORTH 1/2 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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