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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8785



Doc#: 1021004017 Fee: \$96.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/29/2010 09:19 AM Pg: 1 of 31

The property identified as:

FIN: 31-20-114-014-1001

Address:

Street: 6337 Berry Path Trail

Street line 2:

City: Matteson

State: IL

ZIP Code: 60443

Lender: Spirit of Texas Bank, SSB

Borrower: Darrell J Hall, an unmarried person

Loan / Mortgage Amount: \$200,000.00

This property is located within the program area 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: A74806BD-10F0-493F-978B-2A99AB9B5ABA

Execution date: 07/07/2010

S Y
P 3/
S N
M Y
SC Y
E Y
INT Y

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This document was prepared by:
Allan J. Boss
Allan J. Boss, P.C.
807 Wendell Street
Houston, Texas 77009

After recording return to:
Ms. Julie Randolph
Spirit of Texas Bank, ssb
625 University Drive East
College Station, Texas 77840

Reserved for Recorder's Office

ASSIGNMENT OF RENTS AND LEASES

AFTER RECORDING, RETURN TO:
AMERICAN TITLE, INC.
P.O. BOX 641010
OMAHA, NE 68164-1010

ATI# 201007060742

Property Address: 6337 Berry Path Trail, Matteson, Illinois 60443

PIN: 31-20-114-014-1001

^{2A}
[See Next Page for Legal Description]

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This document was prepared by
 Janet M. Johnson
 Schiff Hardin LLP
 233 South Wacker Drive, Suite 6600
 Chicago, Illinois 60606

After recording return to:
 Ms. Julie Randolph
 Spirit of Texas Bank, ssb
 625 University Drive East
 College Station, Texas 77840

Reserved for Recorder's Office

**JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND LEASES
 AND SECURITY AGREEMENT**

This JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT ("Mortgage") is made on July 7th, 2010, by Darrell J. Hall, an unmarried person ("Borrower"), residing at 6337 Berry Path Trail, Matteson, Illinois 60443 to Spirit of Texas Bank, ssb, having an address for notices at 625 University Drive East, College Station, Texas 77840 ("Lender").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness recited in this Mortgage, the receipt of which is hereby acknowledged, BORROWER HEREBY GRANTS, BARGAINS, SELLS, ASSIGNS, RELEASES, ALIENS, TRANSFERS, REMISES, CONVEYS AND MORTGAGES TO LENDER, AND HIS HEIRS, EXECUTORS, ADMINISTRATORS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, FOREVER the real estate, situated in Cook County, Illinois ("Real Estate"), legally described on Exhibit A attached hereto and incorporated herein; and Borrower hereby grants to Lender, his heirs, executors, administrators, assigns and legal representatives, a security interest in and a lien upon certain personal property hereinafter described located on and used in connection with the Real Estate;

TOGETHER WITH, all estates, claims, demands, right, title and interest that Borrower may now have or hereafter acquire in and to any land or vaults lying within the right-of-way of or occupied by any street, alley, passage, avenue, highway or other way (whether open or proposed, vacated or otherwise), sidewalks, alleys, public places or any other strips or gores of land adjacent to, adjoining or used in connection with the Real Estate; all improvements, tenements, hereditaments, gas, oil, minerals, easements, fixtures, appurtenances and all other rights and privileges thereunto belonging or appertaining, including all easements, rights-of-way and rights used in connection therewith or as a means of access thereto; all tenements, hereditaments and appurtenances thereof and thereto; all developmental rights, air rights, water, water rights and shares of stock evidencing the same, including homestead and any other claim at law or in equity (collectively the "Appurtenant Rights");

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TOGETHER WITH, all right, title and interest that Borrower may now have or hereafter acquire in and to all buildings, structures and other improvements now existing or hereafter erected on the Real Estate and all right, title and interest that Borrower may now have or hereafter acquire in and to, including, without limitation, all landscaped and recreation areas and all on-site paved parking areas; all fixtures, attachments, appliances, equipment, machinery and other articles attached to and forming a part of said buildings and improvements, including without limitation all apparatus, machinery, equipment, and appliances of Borrower now or hereafter therein or thereon used to supply heat (whether single units or centrally controlled), gas, air conditioning (whether single units or centrally controlled), water, light, power, ventilation, and refrigeration and to treat or dispose of refuse or waste; and all screens, window shades, blinds, storm doors and windows, floor coverings, and awnings (collectively, the "Improvements");

TOGETHER WITH, all right, title and interest that Borrower may now have or hereafter acquire in and to all apparatus, machinery, equipment, and appliances of Borrower, used or useful for or in connection with the maintenance and operation of the Real Estate or intended for the use or convenience of tenants, other occupants, or patrons thereof; all items of furniture, furnishings, equipment, and personal property used or useful in the operation of the Real Estate; all building materials and equipment located on the Real Estate and intended for construction, reconstruction, alteration, repair or incorporation in or to the Improvements, whether or not yet incorporated in the Improvements; and all replacements and substitutes for the foregoing regardless of whether any of the foregoing is or shall be on or attached to the Real Estate (collectively, the "Personal Property");

TOGETHER WITH, all right, title and interest of Borrower in and to all options to purchase or lease the Real Estate, the Improvements or any portion thereof or interest therein, and any greater estate in the Real Estate owned or hereafter acquired (collectively, the "Options");

TOGETHER WITH, all interests, estates or other claims, whether at law or in equity, which Borrower now has or may hereafter acquire in the Real Estate, the Improvements, the Personal Property or the Options;

TOGETHER WITH, all the estate, interest, right, title, other claim or demand, which Borrower now has or may hereafter acquire, including claims or demands with respect to the proceeds of insurance in effect with respect to the Mortgaged Property (as hereinafter defined) and any and all awards, claims for damages, judgments, settlements and any other compensation made for or as a result of the taking by eminent domain, or by any proceedings or purchase in lieu thereof, of the whole or any part of the Mortgaged Property, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages (collectively, the "Proceeds");

TOGETHER WITH, all the rents, issues and profits of the Real Estate and any and all present and future leases or other agreements relative to the occupancy of the Real Estate and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money made as advance rent or for security) under such leases or agreements, including, without limitation, all cash or security deposits, advance rentals and

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deposits or payments of a similar nature, together with the right, but not the obligation, to collect, receive, and receipt for all such rents or revenues and apply them to the indebtedness secured hereby and to demand, sue for and recover the same when due or payable (collectively, the "Rents");

TOGETHER WITH, all goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of Borrower relating to the Real Estate or the Improvements; all accounts, contract rights, instruments, chattel paper and other rights of Borrower for payment of money sold or lent, for services rendered, for money lent or for advances or deposits made; and any other intangible property of Borrower related to the Real Estate or the Improvements (collectively, the "Intangibles");

TOGETHER WITH, all rights of Borrower to plans and specifications, designs, surveys, drawings and other matters prepared for any construction on the Real Estate or for the Improvements (collectively, the "Plans");

TOGETHER WITH, all rights of Borrower under any agreement, contract, understanding or arrangement pursuant to which Borrower has, with the consent of Lender, obtained the agreement of any person to pay or disburse any money for Borrower's sale (or borrowing on the security) of the Mortgaged Property or any part thereof or pursuant to which any goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Real Estate or Improvements (collectively, the "Contract Rights");

TOGETHER WITH, all other property or rights of Borrower of any kind or character, including any permits and governmental approvals or soil reports related to the Real Estate or the Improvements, and all proceeds and products of the foregoing (the Real Estate, Improvements, Personal Property, Options, Proceeds, Rents, Intangibles, Plans, Contract Rights and all interests therein hereby mortgaged to Lender as provided above are hereinafter collectively referred to as the "Mortgaged Property");

FOR THE PURPOSE OF SECURING:

A. Payment by Borrower, as Guarantor, under that certain Guaranty Agreement of even date herewith made by Borrower to Lender ("Guaranty"), of that certain indebtedness in an aggregate principal amount of TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00), with interest thereon, evidenced by that certain U.S. Small Business Administration Note of even date herewith made by Evolution Nutrition, Inc., an Illinois corporation, dba Extreme Pita ("Primary Borrower") to Lender ("Note"), and which Note, together with any and all modifications, extensions and renewals thereof, are by this reference made a part of this Mortgage;

B. Payment of all sums advanced by Lender to protect the Mortgaged Property and to enforce its rights under this Mortgage, with interest thereon at the appropriate rate set forth in the Note or at the Default Rate (as that term is defined in paragraph 32 below), as the case may be;

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C. Payment of all other sums, with interest thereon, which may hereafter be loaned to Borrower, or its successors or assigns, by Lender, when evidenced by a promissory note or notes reciting that it or they are secured by this Mortgage; and

D. Performance of Borrower's and Primary Borrower's obligations and agreements with respect to the Guaranty, the Note, this Mortgage and any other instrument now or hereafter given to evidence or further secure the payment of the Indebtedness (as that term is defined in paragraph 1 below) secured hereby and any modification or amendment thereto (this Mortgage, the Guaranty, the Note, any guaranty thereof and all other instruments or documents referred to above including any modifications, extensions and renewals, are hereinafter referred to sometimes individually as a "Loan Document" or collectively as the "Loan Documents");

TO HAVE AND TO HOLD the Mortgaged Property, unto Lender, its successors and assigns, forever, free from all rights and benefits under and by virtue of, and hereby releasing and waiving all rights under and by virtue of, the homestead exemption laws of the State of Illinois, for the purposes and uses herein set forth;

AND in connection with the foregoing, Borrower hereby agrees, covenants with, represents and warrants to Lender and any purchaser at any foreclosure sale, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Borrower under this Mortgage and all of the other Loan Documents are performed in full, as follows:

1. **Payment of Indebtedness.** Borrower shall pay, promptly when due, each and every installment of principal and interest and any other indebtedness evidenced by or required to be paid pursuant to the Guaranty; all charges, fees and other sums provided in the Loan Documents; and all other amounts, obligations and indebtedness secured by this Mortgage (collectively, the "Indebtedness"), without demand, counterclaim, offset, deduction or defense, and Borrower hereby waives all rights that now or hereafter are conferred by statute or otherwise to assert any such demand, counterclaim, offset, deduction or defense.

2. **Title to Mortgaged Property.** Borrower has good and indefeasible title to the Mortgaged Property in fee simple; it has a good and lawful right and full power to sell, mortgage or convey the Mortgaged Property and to encumber the same in the manner and form set forth herein; the Mortgaged Property is free and clear of all easements, restrictions, leases, liens and encumbrances whatsoever (and any claim of any other person thereto) except for those encumbrances of record permitted by Lender ("Permitted Encumbrances"); and Borrower owns and will own all fixtures and articles of Personal Property now or hereafter affixed to or used in connection with the Real Estate, including any substitutions or replacements thereof, except as otherwise specifically disclosed to and consented to by Lender, free and clear of liens and claims. Borrower will warrant and defend the title to the Mortgaged Property against all claims and demands whatsoever.

3. **Care and Use of Mortgaged Property.** Borrower (a) shall keep the Mortgaged Property in a good, safe and insurable condition and repair; (b) shall not permit, commit or suffer any waste; (c) shall not abandon the Mortgaged Property; (d) shall refrain from impairing the security or value of this Mortgage; (e) shall refrain from any action and correct any condition that would increase the risk of fire or other hazards to the Improvements or any portion thereof;

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(f) shall not abandon any material portion of the Mortgaged Property; (g) shall not erect any new buildings, structures or other improvements on the Real Estate or demolish or make any material alterations or additions of or to the Mortgaged Property, except as required by any Governmental Authority (as that term is defined in paragraph 4 below) or with the prior written consent of Lender; (h) shall pay for and complete within a reasonable period of time any Improvements at any time in the process of being constructed or erected on the Real Estate; (i) shall promptly repair, restore or rebuild any of the Improvements that may become damaged or destroyed, with materials and workmanship of at least as good a quality as existed before such damage or destruction and (j) shall cause the Mortgaged Property to be operated, maintained and managed in a competent and professional manner.

4. **Compliance with Laws.** Borrower (a) shall comply with all requirements of any statute, rule, regulation, order, decree or municipal ordinance and with all other requirements of any federal, state or local governmental or quasi-governmental authority or agency (any or all of the foregoing are herein sometimes referred to as a "Governmental Authority") having jurisdiction over or governing the Mortgaged Property, the use thereof and the conduct of Borrower's business thereon (any or all of the foregoing are hereinafter sometimes referred to as "Governmental Regulations"), including all Environmental Laws (as that term is defined in paragraph 18(i) below); (b) shall not commit, suffer or permit any act, use or nuisance to be done or exist in or upon the Mortgaged Property in violation of any such Governmental Regulations; and (c) shall observe and comply with any conditions and requirements (including without limitation any Governmental Regulations) necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions, special uses and non-conforming uses), privileges, franchises and concessions that are applicable to the Mortgaged Property or its use and occupancy.

5. **Payment of Taxes and Impositions.**

(a) **Impositions.** Borrower shall pay, not less than ten (10) days before any penalty or interest attaches, all real estate taxes and assessments (general or special), water charges, drainage charges, sewer charges, and all other charges, fees, taxes, claims, levies, expenses, liens or assessments of any kind whatsoever, ordinary or extraordinary, that may be levied, assessed or imposed on or against the Mortgaged Property or any part thereof or interest therein (collectively, the "Impositions") and, at the request of Lender, shall exhibit to Lender official receipts evidencing such payments; provided, however, that if, by law, any such Impositions are payable, or may at the option of the taxpayer be paid, in installments, Borrower may pay the same together with any accrued interest on the unpaid balance in installments as they become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) **Documentary Stamps.** If the United States Government shall at any time require Internal Revenue or other documentary stamps on this Mortgage or on the Note, or shall otherwise impose a tax or assessment upon this Mortgage or the Note or the Indebtedness secured hereby, or shall require payment of an interest equalization tax with respect to the Indebtedness secured hereby, Borrower, upon demand by Lender, shall pay for such stamps or such tax or assessment, or reimburse Lender therefor; provided, however, if in the opinion of counsel for Lender (a) it might be unlawful to require Borrower to make such payments or (b)

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the making of such payments might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event Lender may elect, by notice in writing to Borrower, to declare all of the Indebtedness secured hereby to be and become due and payable thirty (30) days from the giving of such notice.

(c) **Mortgage Tax.** In the event of the enactment after the date of this Mortgage of any law of the State of Illinois (or of any political subdivision thereof) deducting any lien from the value of the Mortgaged Property for the purpose of taxation, imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, imposing a stamp or other documentary tax on this Mortgage or the Note or the Indebtedness secured hereby, or otherwise changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Lender'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 holder thereof, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes or assessments, or reimburse Lender therefor; provided, however, if in the opinion of counsel for Lender (a) it might be unlawful to require Borrower 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, Lender may elect, by notice in writing to Borrower, to declare all of the Indebtedness secured hereby to be and become due and payable thirty (30) days from the giving of such notice.

6. **Payment of Expenses; No Liens.** Borrower (a) shall pay when due all operating costs and expenses of, and all claims for labor performed and materials furnished in connection with, the Mortgaged Property; (b) shall keep the Mortgaged Property free from liens of mechanics, materialmen, laborers and others and from all other liens, charges, mortgages, security agreements and encumbrances (other than Impositions not yet due and the Permitted Encumbrances); and (c) shall exhibit to Lender, upon request, satisfactory evidence of the payment and discharge of any such liens, charges and encumbrances.

7. **No Further Encumbrances.** Borrower shall not, without the prior written consent of Lender, create, suffer or permit to be created or to exist any mortgage, deed of trust, security interest, or other encumbrance of any kind whatsoever upon all or any part of the Mortgaged Property, whether junior, secondary or subordinate or senior or prior to the lien of the Mortgage, other than Impositions not yet due and the Permitted Encumbrances. To the extent the Lender so consents to any further encumbrances, Borrower shall perform all of Borrower's obligations with respect to such encumbrances, including without limitation payment when due of all principal, interest and other indebtedness secured thereby. Borrower shall also furnish Lender with copies of all notices received from the holders of such encumbrances claiming the existence of a default thereunder or giving notice of a condition which with the passage of time would give rise to a default thereunder.

8. **Right to Contest.** Notwithstanding anything in this Mortgage to the contrary, Borrower shall have the right to contest the validity (or the applicability to Borrower, the Mortgaged Property, the Note or this Mortgage) of any tax, assessment, law, ordinance, lien, charge or encumbrance referred to in paragraphs 4, 5, 6 or 7 of this Mortgage, upon giving Lender timely notice of its intention to contest the same and making and thereafter maintaining with Lender a deposit of cash in an amount, or United States government securities in discount

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form having a present value equal to an amount, in either case, sufficient in the reasonable opinion of Lender (which amount may be at least 125% of the aggregate of such contested tax, assessment, lien, charge or encumbrance and all penalties, interest and costs that may accrue in connection therewith and shall be increased whenever, in Lender's judgment, such increase is advisable) to pay and discharge or to assure compliance with the matter under contest in the event of a final determination thereof adverse to Borrower or in the event Borrower fails to prosecute such contest as required in this paragraph 8. Borrower agrees to prosecute any such contest diligently and by appropriate legal proceedings that (a) will prevent the enforcement of the matter under contest and the sale or forfeiture of the Mortgaged Property or any portion thereof or interest therein, (b) will not impair the lien of this Mortgage or (c) will not interfere with the use or occupancy of the Mortgaged Property or the normal conduct of business thereon. So long as Borrower is in compliance with the requirements contained in this paragraph 8, Lender shall not exercise its privilege, pursuant to paragraph 23 below, of curing Borrower's defaults with respect to the matters specified in this paragraph 8. On final disposition of such contest, any cash or securities then held by Lender and not required to pay or discharge in full any such liability or to assure compliance with the matter contested shall be returned to Borrower. In the event the amount of money and any other security so deposited with Lender is insufficient to pay in full any such liability, Borrower shall immediately upon demand pay any such deficiency or reimburse Lender for any amounts expended by Lender to pay any such deficiency.

9. **No Change in Zoning or Use Without Lender's Consent.** Borrower shall not, without the prior written consent of Lender in each instance, (a) initiate or acquiesce in any zoning reclassification of the Mortgaged Property; (b) suffer or permit any change in the general nature of the occupancy or use of the Mortgaged Property; (c) by any act or omission permit any building or other improvements located on any premises not constituting part of the Mortgaged Property to rely on the Mortgaged Property or any part thereof or any interest therein to fulfill any Governmental Regulations; (d) permit any of the Improvements now or hereafter located on the Real Estate to rely on any premises not constituting part of the Mortgaged Property to fulfill any Governmental Regulations; (e) by any act or omission impair the integrity of the Mortgaged Property as a single zoning lot; (f) reduce, build upon, obstruct, redesignate or relocate any parking areas, sidewalks, aisles, streets, driveways or rights-of-way or lease or grant any right to use the same to any person (other than tenants of the Mortgaged Property and their invitees); or (g) grant or permit the granting of any easements, licenses, covenants, conditions or declarations of use applicable to or binding upon the Mortgaged Property. Any act or omission by Borrower that violates any of the provisions of this paragraph 9 shall be void.

10. **Insurance.**

(a) **Fire and Other Perils.** Borrower shall keep the Mortgaged Property constantly insured against physical damage by fire and such other risks and perils (but at a minimum containing the same coverages as are available under a so-called "special causes of loss" form policy promulgated by the Insurance Service Organization (ISO)) under such types of insurance, in such forms and amounts (but at a minimum with full replacement cost coverage), with such companies and for such periods of time as may be approved or required from time to time by Lender, under insurance policies with loss payable and standard non-contribution

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mortgagee clauses in favor of and acceptable to Lender (or, in case of a foreclosure sale, in favor of the owner of the certificate of sale).

(b) **Boiler and Machinery.** If applicable, Borrower shall keep all equipment and objects customarily covered by broad form boiler and machinery insurance (if any of such equipment or objects are located at the Mortgaged Premises) insured by such insurance providing for full repair with replacement cost coverage in such forms and issued by such carriers as Lender shall approve.

(c) **Flood Insurance.** Borrower shall obtain flood insurance in the maximum obtainable amount (up to the amount of the Indebtedness secured hereby) if the Mortgaged Property is located in a special flood hazard area as defined by the Federal Emergency Management Agency in regulations adopted pursuant to the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973, as the same has been or is hereafter amended.

(d) **Adjustment of Loss; Application of Proceeds.** In the event Borrower shall suffer any loss covered by the insurance required under paragraphs 10(a), 10(b) or 10(c) above, Borrower shall immediately notify Lender in writing, and subject to the prior and superior rights of the holders of the Senior Indebtedness (as defined in paragraph 44 below), if any, Borrower hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Lender (who may, but need not, make proof of loss) and subject to the prior and superior rights of the holders of the Senior Indebtedness (as defined in paragraph 44 below), if any, Lender is hereby authorized to adjust, collect, and compromise in its discretion all claims under all such policies, and Borrower shall sign, upon demand by Lender, all receipts, vouchers, and releases required by such insurance companies. Insurance proceeds, or any part thereof, received by Lender, after deducting therefrom any expenses incurred by Lender in the collection or handling thereof ("net proceeds"), may be applied by Lender, at its option, as follows: (i) to reduce the Indebtedness, or any part thereof, whether matured or unmatured; (ii) to fulfill any of Borrower's covenants hereunder as Lender shall determine; or (iii) to replace or restore the Mortgaged Property to a condition satisfactory to Lender; or, in the alternative, Lender may, at its option, release the net proceeds to Borrower for the purpose of restoration and repair of the Mortgaged Property under such terms and conditions as Lender shall deem appropriate. No interest shall be payable by Lender on account of any insurance proceeds at any time held by Lender. In the event of the entry of judgment of foreclosure, the rights of Lender pursuant to this paragraph 10 shall continue in Lender as judgment creditor or mortgagee until confirmation of sale.

(e) **Liability Insurance; Other Insurance.** Borrower shall carry and maintain commercial general liability insurance naming Lender as an additional insured with such carriers, in such amounts and containing such co-insurance clauses as Lender shall approve. Borrower will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. If requested by Lender, Borrower shall carry and maintain business interruption and/or loss of rental value insurance with such carriers, in such amount and containing such co-insurance clauses as Lender shall approve.

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(f) **Delivery of Policies and Certificates.** Borrower shall deliver to Lender copies of all policies of insurance required pursuant to paragraphs 10(a), 10(b) and 10(c) of this Mortgage with evidence of premiums prepaid and shall deliver to Lender certificates and renewal certificates of insurance or other evidence satisfactory to Lender with respect to the insurance required pursuant to paragraph 10(e) of this Mortgage. In addition, Borrower shall deliver all renewal policies or certificates to Lender not less than ten (10) days prior to the respective dates of expiration of any previously delivered policies or certificates. All such policies shall provide that they may not be cancelled or altered without giving Lender at least thirty (30) days' prior written notice.

(g) **Illinois Collateral Protection Act Requirements.** Mortgagor is hereby notified pursuant to the Illinois Collateral Protection Act, 815 ILCS 180/1 *et seq.* that unless Borrower provides Lender with evidence of the insurance coverage required by this Mortgage, Lender may purchase insurance at Borrower's expense to protect Lender's interests in the Mortgaged Property. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Mortgaged Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by this Mortgage. If Lender purchases insurance for the Mortgaged Property, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on his own.

11. **Tax and Insurance Escrow Deposits.** Upon written request of Lender, subject to the prior and superior rights of the holders of the Senior Indebtedness (as defined in paragraph 44 below), if any, Borrower shall deposit monthly with Lender, to be held by Lender in trust in a non-interest-bearing account (but without any obligation to segregate), an amount equal to the sum of 1/12th of the annual general real estate taxes and assessments levied on the Mortgaged Property and 1/12th of the annual premiums for insurance in force on the Mortgaged Property in accordance with paragraph 10 of this Mortgage, all as estimated by Lender to be sufficient to accumulate sufficient funds to pay such taxes, assessments and premiums thirty (30) days prior to their due date. In such event, Borrower further agrees to cause all bills, statements or other documents relating to such taxes, assessments and insurance to be sent or mailed directly to Lender. Upon receipt of such bills, statements or other documents, and provided Borrower has deposited sufficient funds with Lender pursuant to this paragraph 11, Lender shall, except as hereinafter provided, use such funds to pay such taxes, assessments and premiums when due. If at any time or for any reason the funds so deposited with Lender are or will be insufficient to pay such amounts as may then or subsequently be due, Lender shall notify Borrower and Borrower shall immediately deposit with Lender an amount equal to such deficiency. Notwithstanding the foregoing, upon the occurrence of an Event of Default (as defined in paragraph 26 below) under this Mortgage, Lender may, at its option, apply such funds in payment of the Indebtedness secured hereby. Compliance with this paragraph 11 shall relieve Borrower of other obligations under this Mortgage only to the extent such compliance constitutes performance of such other obligations. Lender may waive, or suspend, and later reinstate, the application of this paragraph

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11 as often as it may determine, but no such waiver, suspension or reinstatement shall be effective unless made in writing by Lender.

12. **Assignment of Condemnation Awards.** Borrower hereby assigns to Lender, as additional security, subject to the prior and superior rights of the holders of the Senior Indebtedness (as defined in paragraph 44 below), if any, all awards of damage resulting from condemnation proceedings or the taking of or injury to the Mortgaged Property for public use, and Borrower agrees that the proceeds of all such awards shall be paid to Lender and may be applied by Lender, at its option, after the payment of all of Lender's expenses in connection with such proceedings, including costs and attorneys' fees, to the reduction of the Indebtedness. Lender is hereby authorized, on behalf and in the name of Borrower, to execute and deliver valid acquittances for and to appeal from any such award. Any portion of any award remaining after the payments provided for in the preceding sentences shall be paid to Borrower or as otherwise ordered by a court of competent jurisdiction. Borrower further agrees to give Lender immediate notice of any actual or threatened condemnation or eminent domain proceedings and to give to Lender at any time, upon request, any additional instruments deemed necessary by Lender for the purpose of validly and sufficiently assigning all awards or appealing from any such award.

13. **Subordination of Mortgage to Leases.** At the option of Lender, this Mortgage shall become subject and subordinate, in whole or in part, but not with respect to priority of entitlement to any insurance proceeds or condemnation awards, to any and all leases of all or any part of the Mortgaged Property upon the execution by Lender and recording thereof at any time, in the Office of the Recorder for the county in which the Mortgaged Property is situated, of a unilateral declaration to that effect.

14. **Intentionally Omitted.**

15. **Estoppel Certificate.** Within seven (7) days after being so requested by Lender, Borrower shall furnish a written statement, sworn to by Borrower or an authorized financial officer or other representative of Borrower, duly acknowledged, prepared on a consistent basis and otherwise in a form satisfactory to Lender, setting forth the amount of the Indebtedness secured by this Mortgage, the date to which interest has been paid; stating either that no offsets or defenses exist against the Indebtedness secured hereby or, if such offset or defenses are alleged to exist, the nature thereof; and covering such other matters as Lender may reasonably require, including matters relating to the Senior Indebtedness.

16. **Additional Amounts Secured.** At all times, regardless of whether any Loan proceeds have been disbursed, this Mortgage secures (in addition to any Loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, expenses, and advances due to or incurred by Lender in connection with the Indebtedness secured by this Mortgage, all in accordance with the Loan Documents.

17. **Future Advances.** Lender may, at its option upon a request by Borrower, at any time before full payment of the Indebtedness, make further advances to Borrower, and the same with interest shall be on a parity with, and not subordinate to, the indebtedness evidenced by the Note and shall be secured hereby in accordance with all covenants and agreements herein contained; provided that the amount of principal secured hereby and remaining unpaid may

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decrease or increase from time to time but the total unpaid balance so secured at any one time shall not, including the amount of such advances, exceed two times the original principal sum secured hereby, plus all interest thereon and any disbursements made by Lender pursuant to the provisions of this Mortgage; and provided further, that if Lender shall make further advances as aforesaid, Borrower shall repay all such advances in accordance with the note or notes, or agreement or agreements, evidencing the same, which Borrower shall execute and deliver to Lender, which shall be payable no later than the maturity of the Indebtedness secured by this Mortgage and which shall include such other terms as Lender shall require.

18. **Representations, Warranties and Covenants of Borrower.** To induce Lender to make the loan to Principal Borrower, in addition to all other covenants, representations and warranties contained in this Mortgage, all of the representations, warranties and covenants made by Borrower and contained in the Guaranty are hereby expressly incorporated herein by reference and made a part hereof as representations, warranties and covenants of Borrower as of the date hereof and until the Indebtedness is paid in full and all other obligations of Borrower under this Mortgage or any of the other Loan Documents are performed in full. Further, Borrower represents, warrants and covenants as follows:

(a) **Power and Authority.** Borrower has full power and due authority to execute, deliver and perform the obligations of Borrower under this Mortgage and all other Loan Documents. Such execution, delivery and performance have been fully authorized approved by each required Governmental Authority or other person, and the obligations of Borrower, Principal Borrower and every other borrower under each of the Loan Documents are the joint and several binding obligations of each, enforceable by Lender subject to bankruptcy and other laws applicable to the enforcement of creditors' rights.

(b) **No Event of Default or Violations.** Neither an Event of Default (as defined in paragraph 26 below) nor an event which constitutes or which would, with notice or the passage of time or both, constitute an Event of Default has occurred or is continuing under this Mortgage, the Guaranty, the Note or any of the other Loan Documents, or under any note, instrument, agreement or other document evidencing, securing or relating to the Senior Indebtedness. Borrower is not in violation of any Governmental Regulation (including, without limitation, any applicable securities law) or in default under any agreement to which it is bound, or which affects it or any of its property; and the use and occupancy of the Mortgaged Property and the execution, delivery and performance of the respective obligations of Borrower and Principal Borrower under this Mortgage, the Guaranty, the Note or any of the other Loan Documents, in accordance with their respective terms, do not and shall not violate any Governmental Regulations (including, without limitation, any applicable usury law) or conflict with, be inconsistent with, or result in any default under any of the representations, warranties, covenants, conditions or other provisions of any indenture, mortgage, deed of trust, easement, restriction of record, contract, document, agreement or instrument of any kind to which any of the foregoing is bound or which affects it or any of its property, except as identified in writing to and consented to by Lender.

(c) **No Litigation or Governmental Controls.** There are no proceedings of any kind pending or, to the best of Borrower's knowledge, threatened (i) against or affecting Borrower, the Mortgaged Property (including any attempt or threat by any Governmental

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Authority to condemn or rezone all or any portion of the Mortgaged Property), any party constituting Borrower or any general partner in any such person; (ii) involving the validity, enforceability or priority of this Mortgage, the Note or any of the other Loan Documents; or (iii) enjoining or preventing or threatening to enjoin or prevent the use and occupancy of the Mortgaged Property or the performance by Borrower or Principal Borrower of their respective obligations under any of the Loan Documents; and there are no rent controls, governmental moratoria or environmental orders presently in existence or, to the best of Borrower's knowledge, threatened against or otherwise affecting the Mortgaged Property, except as identified in writing to and approved by Lender.

(d) **Financial and Operating Statements.** All financial statements submitted to Lender in connection with the making of the loan are true and correct in all respects, have been prepared in accordance with the requirements of the Guaranty and fairly present the respective financial condition of the persons to which such statements pertain and the results of their operations as of the respective dates shown thereon. No material adverse changes have occurred in the financial conditions and operations reflected therein since their respective dates, and no additional borrowings have been made since the date thereof, other than the Indebtedness secured by this Mortgage, borrowings under the Senior Indebtedness and any other borrowing previously approved in writing by Lender.

(e) **Other Statements to Lender.** Neither this Mortgage, the Guaranty, the Note or any of the other Loan Documents, nor any document, agreement, report, schedule, notice or other writing furnished to Lender by or on behalf of Borrower, any party constituting Principal Borrower, or any general partner of any such person, contains any material omission or materially misleading or untrue statement of any fact.

(f) **Intentionally Omitted.**

(g) **Nature of Loan and Mortgaged Property.** The proceeds of the Note are from a "business loan" (as that term is used in 815 ILCS 205/4(1)(c)), Borrower providing a guaranty of money borrowed by Primary Borrower for the purpose of carrying on or acquiring a business of Primary Borrower of the nature described in 815 ILCS 205/4(1)(c); and the proceeds of the Note shall be used exclusively for the purpose of carrying on or acquiring a business of Primary Borrower of the nature described in 815 ILCS 205/4(1)(c).

(h) **Compliance with Permit Requirements.** All required governmental permits are in effect and will remain in effect with respect to the Mortgaged Property, and the Mortgaged Property, in the use and operation thereof by Borrower, complies and will continue to comply with all such permits.

(i) **No Environmental Event.** Borrower has no knowledge that there has ever been any event ("Environmental Event") at, on or in connection with the Mortgaged Property that would be deemed a release or a disposal of any Hazardous Material (as hereinafter defined); and Borrower has no knowledge of any threatened nor are there any pending "superliens," actions, notices of violation, notices of non-compliance, orders, citations or notices with respect to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting Borrower or the Mortgaged Property or any part thereof

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("Environmental Action") issued by any court, any Governmental Authority or any other entity which is authorized by law to issue orders under any Environmental Laws (as hereinafter defined) ("Environmental Agency") or from anyone else. If Borrower receives (i) any notice of an Environmental Event affecting Borrower or the Mortgaged Property or any part thereof or (ii) any notice of an Environmental Action from any Environmental Agency or from anyone else, Borrower shall give, within seven (7) days, written notice thereof to Lender. Borrower assumes all obligations of compliance with all Environmental Laws that affect the Mortgaged Property or any business or other activity conducted thereon or in connection therewith.

As used in this Mortgage, the term "Hazardous Materials" shall mean and include, without limitation, any hazardous, toxic or dangerous substance, waste or material, specifically including for purposes of this Mortgage any petroleum or crude oil or fraction thereof, friable asbestos or asbestos containing material, polychlorinated biphenyls or urea formaldehyde foam insulation defined as such in, regulated by or for the purpose of, or in violation of any Environmental Laws. As used in this Mortgage, the term "Environmental Laws" shall mean any Governmental Regulations pertaining to land use, air, soil, subsoil, surface water, groundwater (including the quality of, protection, clean-up, removal, remediation or damage of or to land, air, soil, subsoil, surface water and groundwater), including, without limitation, the following laws as the same may be from time to time amended: the Comprehensive Environmental Response Liability and Compensation Act, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Water Pollution Control Act (also known as the Clean Water Act), 33 U.S.C. § 1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Rivers and Harbors Act, 33 U.S.C. § 401 et seq., the Transportation Safety Act of 1974, portions of which are located at 49 U.S.C. § 1801 et seq., the Endangered Species Act, 16 U.S.C. § 1531 et seq., Chapter 415 of the Illinois Compiled Statutes, or any so-called "superfund" or "superlien" law, together with any other foreign or domestic laws (federal, state, provincial or local), common law, local rule, regulation (including, without limitation, any future change in judicial or administrative decisions interpreting or applying any of the laws, rules or regulations referred to herein) relating to emissions, discharges, releases or threatened releases of any Hazardous Materials into ambient air, land, soil, subsoil, surface water, groundwater, personal property or structures, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, discharge or handling of any Hazardous Materials, now or at any time hereafter in effect.

(j) Identity and Expertise of Borrower. Borrower acknowledges that the identity and expertise of Borrower were and continue to be material circumstances upon which Lender has relied in connection with, and which constitute valuable consideration to Lender for, the extending to Principal Borrower of the loan evidenced by the Note and that any change in such identity or expertise could materially impair or jeopardize the security for the payment of the Indebtedness granted to Lender by this Mortgage.

(k) Intentionally Omitted.

19. Assignment of Rents and Leases. All right, title, and interest of Borrower in and to all Leases (as that term is defined in the Assignment of Rents hereinbelow defined), now or hereafter in effect, and all deposits held as security under the Leases, together with all of the

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rents and other amounts from, due or arising out of the Mortgaged Property have been transferred and assigned concurrently herewith to Lender as further security for the payment of the Indebtedness under the provisions of that certain instrument entitled Assignment of Rents and Leases ("Assignment of Rents") of even date herewith executed by Borrower and to be recorded concurrently herewith, the provisions of which are hereby expressly incorporated herein by reference and made a part hereof. Upon the occurrence of an Event of Default (as defined in paragraph 26 below), Lender shall have all powers and rights contained in the Assignment of Rents in addition to any non-conflicting rights and powers provided herein. At Lender's request, Borrower shall submit, assign and transfer to Lender pursuant to the Assignment of Rents any and all future Leases by instrument in a form satisfactory to Lender.

20. Security Agreement. Any and all tangible or intangible personal property and fixtures ("Collateral") included in the Mortgaged Property are owned solely by Borrower and shall be deemed to form a part of the Real Estate. However, to the extent any such Collateral is not so included within the Real Estate, this Mortgage is hereby declared to be a Security Agreement under and subject to the provisions of the Uniform Commercial Code of the state in which the Mortgaged Property is located for the purpose of creating a security interest therein in favor of Lender, and Borrower hereby grants to Lender, its heirs, executors, administrators, successors, assigns and legal representatives, a security interest in and a lien upon all Personal Property located on and used in connection with the Real Estate and Improvements. Upon the occurrence of an Event of Default under this Mortgage, Lender shall have the option either to proceed with respect to the Collateral pursuant to the appropriate provisions of the Uniform Commercial Code ("Code") of the state in which the Collateral is located or to proceed with respect to both the Mortgaged Property and the Collateral in accordance with its rights, powers and remedies with respect to the Mortgaged Property, in which event the provisions of the Code shall not apply. Borrower and Lender agree that if Lender shall elect to proceed with respect to the Collateral separately from the Mortgaged Property, five (5) days notice of the sale of the Collateral shall be reasonable notice, and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Lender shall include, without limitation, reasonable attorneys' fees and legal expenses.

21. Lender's Right of Inspection. Borrower shall (a) permit Lender or its representatives to enter on and inspect the Mortgaged Property at all reasonable times and to inspect and audit all records relating to the Mortgaged Property, including all leases, rent rolls or related reports, for the purpose of determining whether Borrower is in compliance with the provisions of the Note, this Mortgage or any other of the Loan Documents; and (b) shall prepare such schedules, summaries, reports and progress schedules as Lender may from time to time request.

22. Further Assurances. Borrower shall do, execute, acknowledge and deliver, at its sole cost and expense, all such further acts, and execute such further documents, deeds, conveyances, mortgages, assignments, financing statements, notices of assignment, transfers and assurances as Lender may require from time to time in order to better assure, convey, assign, transfer and confirm unto Lender the rights now or hereafter intended to be granted to Lender under this Mortgage, any other instrument executed in connection with this Mortgage, or any other instrument under which Borrower may be or may hereafter become bound to convey, mortgage or assign to Lender for the purpose of carrying out the intention or facilitating the

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performance of the terms of this Mortgage. Borrower hereby appoints Lender its attorney-in-fact and hereby authorizes and empowers Lender, as such attorney-in-fact, to execute, acknowledge and deliver for and in the name of Borrower any and all of the instruments mentioned in this paragraph 22, all to the extent permitted by applicable law. This power, being coupled with an interest, shall be irrevocable as long as any part of the Indebtedness remains unpaid.

23. **Lender's Right to Cure.** Upon the occurrence of any Event of Default (as defined in paragraph 26 below), Lender may, at its option, in any form and manner and without inquiry into the validity thereof, make any payment or perform any act hereinbefore required of Borrower that Lender in its sole discretion deems expedient. By way of illustration and not in limitation of the foregoing, Lender may, but need not, (a) make full or partial payments of principal or interest on prior and co-ordinate encumbrances (including Impositions), if any; (b) purchase, discharge, compromise, or settle any tax lien or any other lien, encumbrance, suit, proceeding, title, or claim therefor (including Impositions); (c) redeem all or any portion of the Mortgaged Property from any tax sale or forfeiture affecting the Mortgaged Property; (d) contest any tax, assessment or other charge (including Impositions); (e) audit or cause to be audited the books and records of Borrower; or (f) prepare or cause to be prepared any statements or other records not provided by Borrower in accordance with the requirements of this Mortgage. Lender may satisfy or discharge any claim as herein authorized without inquiry into the validity of such claim, but in no event shall such satisfaction or discharge be construed as a waiver of any Event of Default. The amount of all moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith (including without limitation reasonable attorneys' fees and any costs associated with obtaining any survey, abstract of title, opinion on title or continuation title insurance report, policy or endorsement prepared by a title insurance company of Lender's choosing, Torrens certificate or other similar data and assurances with respect to title), and any other moneys advanced by Lender to protect the Mortgaged Property and the lien of this Mortgage shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice, and with interest thereon at the Default Rate (as defined in paragraph 32 below). In making any payment hereby authorized relating to taxes or assessments, Lender shall have absolute discretion and final authority to determine the legality and validity thereof and of the amount necessary to be paid in satisfaction thereof and Lender may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy thereof or the validity of any such tax or assessment.

24. **Indemnification of Lender.** Borrower shall indemnify, defend and hold Lender harmless from and against any and all costs, claims, liability, loss, damage and expense, including without limitation reasonable attorneys' fees, incurred or suffered by Lender in connection with any Environmental Event and any claim, demand, suit or proceeding (including without limitation any Environmental Action, probate or bankruptcy proceeding), or the threat thereof, in or to which Lender becomes or may become a party, either as a plaintiff or as a defendant, by reason of this Mortgage, the Indebtedness or any of the other Loan Documents or for the purpose of protecting the lien of this Mortgage or any of the other Loan Documents or the value of the Mortgaged Property, but Lender shall have the right to defend any such suit or proceeding with counsel of its choice at Borrower's cost. All costs provided for herein and paid for by Lender shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the Default Rate.

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25. **Lender's Right of Subrogation.** Should all or any part of the proceeds of the Indebtedness secured hereby, or should any other amount paid out or advanced by Lender, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon all or any part of the Mortgaged Property, then Lender shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all the same.

26. **Events of Defaults.** Any of the following shall constitute an "Event of Default" under this Mortgage:

(a) **Non-Payment.** A default shall occur in the payment when due of any installment or principal, interest or combined principal and interest pursuant to the Note, or in the payment of any other amount coming due under the Note, the Guaranty or any of the other Loan Documents;

(b) **Non-Observance; Non-Performance; False or Inaccurate Representation or Warranty.** A default shall occur in the observance or performance of any other covenant, agreement or obligation of Borrower or Principal Borrower contained in the Guaranty, the Note, this Mortgage or any of the other Loan Documents or any other instrument given at any time as security for payment of the Indebtedness or any representation, warranty or other statement made in this Mortgage, in any other Loan Document or in any other document or material furnished to Lender by or on behalf of Borrower or Principal Borrower in connection with the Indebtedness secured hereby proves to be false or inaccurate in any material respect as of the date of making or issuance thereof;

(c) **Sale, Transfer or Encumbrance.** Borrower, without the prior written consent of Lender, shall not (i) sell, convey, lease with an option to purchase, enter into a contract for the sale of, grant an option to purchase or otherwise alienate, mortgage or further encumber all or any part of the Mortgaged Property or any interest therein, or (ii) be divested of its title thereto or any interest therein in any manner or way, whether voluntarily or involuntarily;

(d) **Change in Ownership of Principal Borrower.** Any change in ownership of Principal Borrower (including but not limited to by way of a merger, consolidation, dissolution or reorganization of Principal Borrower or any constituent person of Principal Borrower) or, if Principal Borrower is a partnership, of any corporate general partner of Principal Borrower shall occur; or any sale, conveyance, assignment or other transfer of a controlling interest, or the grant of a security interest in, Principal Borrower or any constituent person of Principal Borrower or, if Principal Borrower is a partnership, of any general partnership interest in Principal Borrower or a controlling interest in Principal Borrower or in any corporation or other partnership constituting a general partner of Principal Borrower shall occur, other than by reason of the death of an individual general partner or person owning an interest in a general partner of Principal Borrower;

(e) **Judgments; Enforcement of Liens.** Any proceedings shall be instituted or process issued to enforce any lien, charge or encumbrance against the Mortgaged Property; a writ of execution or attachment or any similar process shall be issued or levied against all or any portion of the Mortgaged Property or interest therein; or any judgment involving monetary

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damages shall be entered against Borrower which shall become a lien on all or any portion of the Mortgaged Property or any interest therein and within twenty (20) days thereafter such proceeding, execution, attachment, similar process or judgment is not dismissed, stayed on appeal, withdrawn, released, satisfied or vacated;

(f) **Default Under Other Loan Documents.** A default shall occur in the observance or performance of any covenant or agreement of Borrower or Principal Borrower, with respect to payments or otherwise, contained in any other deed of trust, mortgage, lease or security agreement (including without limitation, any document given by Borrower pursuant to any of the Permitted Encumbrances or in connection with the Senior Indebtedness) relating to the Mortgaged Property or any part thereof, whether junior or senior to the lien of this Mortgage;

(g) **Governmental Action.** Principal Borrower, Borrower or any guarantor of all or any portion of the Indebtedness or, if Principal Borrower is a partnership, any of its general partners shall be prevented or relieved by any Governmental Authority from performing or observing any material term, covenant or condition of the Guaranty, the Note, this Mortgage or any of the other Loan Documents;

(h) **Material Adverse Change.** Any material adverse change shall occur in the assets, financial condition, business operations, affairs, or circumstances of Borrower or Principal Borrower;

(i) **Environmental Lien or Claims.** Any Environmental Agency or other person asserts or creates a lien upon the Mortgaged Property or any part thereof by reason of the occurrence of an Environmental Event or otherwise; or any Environmental Agency or other person asserts a claim or initiates an Environmental Action (a) against Principal Borrower, Borrower or any other guarantor of all or any portion of the Indebtedness for damages or cleanup costs or contribution related to an Environmental Event on or with respect to the Mortgaged Property or any part thereof or (b) related to an Environmental Event on or with respect to property other than the Mortgaged Property which, in Lender's judgment, could result in a lien on the Mortgaged Property or any part thereof or in liability to Borrower or Lender if not cured or corrected; provided, however, that no assertion, creation or initiation of any such claim, lien or Environmental Action shall constitute an Event of Default if, within seven (7) days of the assertion, creation or initiation of such claim, lien or Environmental Action, Borrower has commenced and is diligently pursuing either: (x) cure or correction of the Environmental Event which constitutes the basis for such claim, lien or Environmental Action thereafter and continues diligently to pursue such cure or correction to completion within such period of time as Lender approves in writing; or (y) proceedings are instituted for an injunction, a restraining order or other appropriate emergency relief preventing such Environmental Agency or other person from asserting such claim or lien or pursuing such Environmental Action, which relief is granted within seven (7) days of the assertion, creation or initiation of such claim, lien or Environmental Action and the injunction, order or emergency relief is not thereafter dissolved or reversed on appeal; and, in either of the foregoing events, Borrower has posted a bond, letter of credit or other security satisfactory in form, substance and amount to both Lender and the Environmental Agency or other person asserting, creating or initiating such claim, lien or Environmental Action to secure the proper and complete cure or correction of the Environmental Event constituting the basis for such claim, lien or Environmental Action; or

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(i) **Bankruptcy; Insolvency.** Any one or more of the following events shall occur:

(1) Principal Borrower, Borrower or any other guarantor of all or any portion of the Indebtedness (i) becomes insolvent, is generally not paying its debts as they become due or admits in writing its inability to pay its debts as they become due; (ii) voluntarily suspends the transaction of business; or (iii) makes a general assignment for the benefit of creditors;

(2) A trustee, receiver or other custodian is applied for or consented to by Principal Borrower, Borrower or any other guarantor of all or any portion of the Indebtedness; or, in the absence of such application or consent, is appointed and not discharged within thirty (30) days;

(3) Any bankruptcy, reorganization, debt arrangement, composition, readjustment, dissolution, liquidation or other case or proceeding is commenced under any federal, state or other bankruptcy or insolvency law in respect of Principal Borrower, Borrower or any guarantor of all or any portion of the Indebtedness and, if such case or proceeding is not commenced by Principal Borrower or Borrower, as the case may be, it is consented to or acquiesced in by the person or persons against which the same was commenced or remains undismissed for thirty (30) days; or

(4) A writ or warrant of attachment or similar order shall be issued by any court or any Governmental Authority against all or a substantial portion of the property of Principal Borrower, Borrower or any guarantor of all or any portion of the Indebtedness.

27. **Lender's Remedies on Default.** Upon the occurrence of any Event of Default, then:

(a) **Acceleration.** The Indebtedness secured hereby shall, at the option of Lender, become immediately due and payable without demand or further notice, with interest thereon, from the date of the first of any such Event of Default, at the Default Rate.

(b) **Foreclosure.** After acceleration, Lender may immediately foreclose this Mortgage. Lender shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-101 through 735 ILCS 5/15-1706 (the "Act"), to be placed in possession of the Mortgaged Property or, at its request, to have a receiver appointed, and such receiver or the Mortgagee, if and when placed in possession, shall have all rights, powers, immunities, and duties as provided for in Sections 15-1702 through 15-1704 of the Act.

(c) **Exercise of Rights to Collateral.** Lender may, at its option and without regard to whether the Indebtedness secured hereby is declared to be immediately due as provided in paragraph 27(a) above, exercise any or all of the remedies available to a secured party with respect to the Collateral as provided in paragraph 20 of this Mortgage.

(d) **Other Remedies.** At its option and without regard to whether the Indebtedness is declared to be immediately due as provided in paragraph 27(a) above, Lender

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shall have the right, acting through its agents or attorneys, either with or without process of law, forcibly or otherwise, (i) to enter upon and take possession of the Mortgaged Property; (ii) to expel and remove any persons, goods or chattels occupying or upon the same; (iii) to collect or receive all the rents, issues and profits thereof; (iv) to manage and control the same; (v) to lease the same or any part thereof from time to time; and (vi) after deducting all reasonable attorneys' fees and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, to apply the remaining net income so collected or received upon the Indebtedness or upon any deficiency decree entered in any foreclosure proceedings.

28. Protective Advances; Fees and Expenses.

(a) Items Constituting Protective Advances. All advances, disbursements and expenditures made or incurred by the Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including without limitation those provisions of the Act referred to below:

(1) All advances by the Lender in accordance with the terms of the Mortgage to: (i) preserve the lien of the Mortgage or the priority thereof; (ii) prevent waste or preserve or restore the improvements upon and the value of the Mortgaged Property; or (iii) enforce the Mortgage, as referred to in Section 15-302(b)(5) of the Act;

(2) Payments by the Lender of: (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) real estate taxes and assessments and all other taxes assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by the Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 15-1505 of the Act;

(3) Advances by the Lender in settlement of any claims asserted by claimants under senior mortgages or any other prior liens;

(4) Attorneys' fees and other costs incurred in connection with: (i) the foreclosure of the Mortgage as referred to in Sections 15-1504(d)(1) and (2) and Section 15-1510 of the Act; (ii) any action, suit or proceeding brought by or against the Lender for the enforcement of the Mortgage or arising from the interest of the Lender hereunder; or (iii) the commencement, prosecution or defense of any other action related to the Mortgage or the Mortgaged Property;

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

(6) Expenses deductible from proceeds of sale of any of the Mortgaged Property as referred to in Sections 15-1512(a) and (b) of the Act;

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(7) Expenses incurred and expenditures made by the Lender for any one or more of the following: (i) premiums for property damage and liability insurance paid by the Lender whether or not the Lender or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation imposed by Section 15-1704(c)(1) of the Act of maintaining existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property; (ii) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (iii) payments deemed by the Lender to be required for the benefit of the Mortgaged Property, by reason of the exercise by Lender of any of its rights under paragraph 20 above, or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; (iv) shares or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (v) if the loan secured hereby is a construction loan, costs incurred by the Lender for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (vi) payments deemed by the Lender to be required pursuant to any lease or other agreement for occupancy of the Mortgaged Property; (vii) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof deemed by the Lender to be required to be paid; (viii) if Borrower's interest in the Mortgaged Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; and (ix) if the Mortgage is insured, payments of FHA or private mortgage insurance required to keep such insurance in force.

(b) **Included in Indebtedness Secured Hereby.** All Protective Advances shall be so much additional indebtedness secured by this Mortgage and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Rate provided for in the Note. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Section 15-1302(b)(5) of the Act. All Protective Advances shall, except to the extent, if any, that any of the same are clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (i) a determination of the amount of Indebtedness secured by this Mortgage at any time; (ii) the indebtedness found due and owing to Lender in the judgment of foreclosure and any subsequent supplemental judgments or orders by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purposes; (iii) if the right of redemption has not been waived by this Mortgage, the computation of the amount required to redeem, pursuant to Sections 15-1603(d)(2) and (e) of the Act; (iv) a determination of the amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act; (v) the application of income in the hands of any receiver or mortgagee in possession; and (vi) the computation of any deficiency judgment pursuant to Sections 15-1508(b)(2) and (3) and Section 15-1511 of the Act.

(c) **Lender's Costs, Fees and Expenses; Interest.** All fees and expenses allowable pursuant to this Mortgage, together with interest thereon at the Default Rate from the date of payment thereof, shall be additional Indebtedness secured hereby, shall be a charge upon

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the Mortgaged Property and shall constitute a lien on the Mortgaged Property secured hereby. There shall be included in any decree foreclosing the lien of this Mortgage and be paid out of the rents or proceeds of any sale made in pursuance of any such decree in the following order: (i) all costs and expenses of such suit or suits as described in this paragraph 28 with interest as herein provided; (ii) all money advanced by Lender for any purpose authorized in this Mortgage, including without limitation all Protective Advances, with interest as herein provided; (iii) all of the accrued interest remaining unpaid on the Indebtedness hereby secured; and (iv) the principal balance of the Note at such time remaining unpaid. The overplus of the proceeds of the sale, if any, shall then be paid to Borrower on reasonable request. In the event that, after legal proceedings are instituted to foreclose the lien of this Mortgage, tender is made of the entire amount of Indebtedness secured hereby, Lender shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses, and charges shall have been paid in full.

29. **Waiver of Right of Redemption and Similar Rights.** Borrower, pursuant to 735 ILCS 5/15-1601(b), hereby waives for Borrower and all its successors in interest and for any and all persons claiming any interest in the Mortgaged Property, to the maximum extent permitted by law, any and all rights of redemption otherwise available to Borrower under the Act.

30. **Prepayment Privilege; Evasion.** So long as no Event of Default shall have occurred, Borrower shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments of principal and interest thereunder) in accordance with the terms and conditions, if any, set forth in the Note, but not otherwise. Upon the occurrence of an Event of Default and following the election by Lender to accelerate the maturity of the Indebtedness as provided in paragraph 27(a) above, a tender of payment by Principal Borrower or Borrower, or their respective successors or assigns or by anyone on behalf of any of them, of the amount necessary to satisfy the entire Indebtedness made at any time prior to a foreclosure sale shall constitute an evasion of the limitations on prepayment contained in the Note and shall be deemed to be a voluntary prepayment thereunder. Accordingly, to the maximum extent permitted by law, such prepayment shall include the premium required under the prepayment privilege, if any, contained in the Note.

31. **Lender's Rights Cumulative.** The remedies and rights herein are cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise of, or omission to exercise, any remedy or right accruing upon the occurrence of any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default, or acquiescence therein, nor shall it affect any subsequent Event of Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Lender. If the proceeds of any separate sale or sales of less than the whole of the Mortgaged Property shall be less than the aggregate amount of the Indebtedness then outstanding and all costs and expenses incurred in connection with such sale or sales, this Mortgage and the lien created hereby shall remain in full force and effect as to the unsold portion of the Mortgaged Property as though such sale or sales had not occurred.

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32. **Default Interest Rate.** The term "Default Rate" shall mean the interest rate specified in the Note to be charged on overdue payments of principal (and of interest to the extent permitted by law), but not more than the maximum contract rate permitted by law.

33. **No Usury.** Nothing contained in this Mortgage or in any of the other Loan Documents or in any transaction related hereto shall be construed or shall so operate either presently or prospectively (a) to require Borrower to pay interest in excess of the maximum amount of interest permitted by law to be charged in the case of the Guaranty, the Loan and Indebtedness secured hereby, but shall instead be deemed to require payment of interest only to the extent of the lawful amount, or (b) to require Borrower to make any payment or do any act contrary to law. If any interest in excess of the maximum amount of interest permitted by law to be charged is provided for, or is adjudicated to be provided for, in the Note, this Mortgage or any of the other Loan Documents, then in such event (i) the provisions of this paragraph 33 shall govern and control; (ii) neither Borrower nor any of the other obligors under the Note or any other guaranty given as additional security for the Indebtedness shall be obligated to pay any interest in excess of that so permitted; (iii) any interest in excess of that so permitted that Lender may have received in connection with the Indebtedness shall, at the option of Lender, be (A) applied as a credit against the then unpaid principal balance under the Note, (B) applied as a credit against any accrued and unpaid interest on the unpaid principal balance under the Note (but not to exceed the maximum amount permitted by applicable law), (C) refunded to the Borrower or other payor thereof or (D) applied or refunded pursuant to any combination of the foregoing; (iv) the rate of interest in the Note shall be automatically reduced to the maximum rate permitted under applicable law and the Note, this Mortgage and the other Loan Documents shall be deemed to have been, and shall be, reformed or modified to reflect such reduction in the rate of interest; and (v) neither Borrower, Principal Borrower nor any of the other obligors under the Note or any other guaranty given as additional security for the Indebtedness shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any such interest.

34. **Partial Invalidity; Severability.** If the lien of this Mortgage is invalid or unenforceable as to any part of the Indebtedness, or if the lien is invalid or unenforceable as to any part of the Mortgaged Property, the unsecured or partially secured portion of the Indebtedness shall be completely paid prior to the payment of the remaining and secured or partially secured portions of the Indebtedness, and all payments made on the Indebtedness, whether voluntarily or under foreclosure or other enforcement actions or procedures, shall be considered to have been first paid on and applied to the full payment of that portion of the Indebtedness not secured or fully secured by the lien of this Mortgage. If any term, covenant or provision contained in this Mortgage or in any of the other Loan Documents, or the application thereof to any person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Mortgage or any such Loan Document, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Mortgage or in such Loan Document; the remainder of this Mortgage and such other Loan Documents shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other persons or circumstances shall not be affected, impaired or restricted thereby.

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35. **No Discharge of Borrower's Liability.** In the event of the voluntary sale or transfer, by operation of law or otherwise, of all or any part of the Mortgaged Property, Lender is hereby authorized and empowered to deal with such vendee or transferee with reference to the Mortgaged Property on the terms or conditions hereof, as fully and to the same extent as it might with Borrower, without in any way releasing or discharging Borrower from Borrower's liability, covenants or undertakings hereunder.

36. **No Impairment of Collateral by Lender's Acts.** Without affecting the liability of Borrower or any other person, including without limitation any guarantor under a guaranty (except any person expressly released in writing) for payment of all or any portion of the Indebtedness or for performance of any obligation contained herein, and without affecting the rights of Lender with respect to any security not expressly released in writing, the validity or priority of this Mortgage or the lien created hereby or any guaranty given as additional security for the Indebtedness, Lender, at any time and from time to time either before or after the maturity of the Note and without notice or consent, may (a) release or partially release any person liable for payment of all or any part of the Indebtedness or for performance of any obligation; (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness, modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereon; (c) exercise, refrain from exercising or waive any right Lender may have; (d) accept additional security of any kind; or (e) release, partially release or otherwise deal with any property, real or personal, securing the Indebtedness secured hereby, including all or any part of the Mortgaged Property.

37. **Effect of Extensions of Time and Amendments on Junior Liens and Others.** Any person taking a mortgage or other lien upon the Mortgaged Property or any interest therein junior to this Mortgage shall take such lien subject to the rights of Lender (a) to amend, modify and supplement this Mortgage, the Note, the other Loan Documents or any other document or instrument evidencing, securing or guaranteeing the Indebtedness; (b) to vary the rate of interest and the method of computing the same; (c) to impose additional fees and other charges; and (d) to extend the maturity of the Indebtedness, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing contained in this paragraph 37 shall be construed, however, as waiving any provision contained in this Mortgage which provides, among other things, that it shall constitute an Event of Default if all or any part of the Mortgaged Property or any interest therein shall be sold, conveyed or further encumbered.

38. **Release of Mortgage.** Upon full payment of all of the Indebtedness at the time and in the manner provided in this Mortgage, in the Note and in the other Loan Documents, and provided all covenants and agreements contained in this Mortgage and in the other Loan Documents are kept and performed, this Mortgage shall be null and void, and upon demand therefor following such payment, a reconveyance or release of the Mortgaged Property shall in due course be made by Lender to Borrower at Borrower's expense.

39. **Governing Law.** The terms and provisions of this Mortgage and the Note it secures shall be construed and governed by the laws of the State of Illinois.

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40. **Addresses for Notices.** All notices provided for or permitted to be given pursuant to this Mortgage must be in writing and may be given or served by depositing the same in the United States Mail, addressed to the person to be notified, postage prepaid, and registered or certified with return receipt requested, or by Federal Express or other overnight delivery, or by facsimile machine, or by delivering such notice by courier or by hand to such person. Except as otherwise expressly provided in the Guaranty, notices shall be effective upon the earlier to occur of (i) receipt by the party to be notified and (ii) three days after deposit in the mail in accordance with this Section. For purposes of this Mortgage, Borrower's and Lender's addresses shall be their respective addresses set forth on the first page of this Mortgage or any other mailing address in the continental United States of which either notifies the other in writing.

41. **Binding Effect; Miscellaneous Definitions.** All provisions and covenants of this Mortgage run with the land and shall inure to and bind the parties hereto and their respective heirs, executors, devisees, administrators, legal representatives, vendees, successors and assigns. The word "Borrower" shall include the following persons, whether or not such persons shall have executed the Guaranty or this Mortgage: (i) all persons claiming under or through Borrower, (ii) all persons liable for the payment of the Indebtedness or any part thereof, (iii) if Borrower is more than one person, each person constituting Borrower, and (iv) if any constituent person of Borrower is a partnership, each of any constituent person's general partners. If Borrower is more than one person, then the representations, warranties and obligations under this Mortgage shall be joint and several and any breach or default thereof by a constituent of Borrower is a breach or default by Borrower. As used in this Mortgage, the terms "person" or "persons" shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. Capitalized terms used in this Mortgage and not otherwise defined herein shall have the meanings ascribed to them in the Guaranty.

42. **Captions.** The captions or headings at the beginning of any paragraph or portion of any paragraph in this Mortgage are for the convenience of Borrower and Lender and for purposes of reference only and shall not limit or otherwise alter the meaning of the provisions of this Mortgage.

43. **Junior Mortgage.** This mortgage is a second mortgage subject and subordinate to the mortgage described below (collectively, the "Senior Mortgage") but not to any modification, extension, replacement, or renewal thereof and only to the amounts from time to time remaining unpaid on the notes described below:

that certain Mortgage dated December 15, 2004 and recorded January 6, 2005 in the Office of the Recorder of Cook County, Illinois, as Document 0500633131 given by Borrower for the benefit of Mortgage Electronic Registration Systems, Inc. ("Senior Lender") to secure a promissory note in the original principal sum of \$180,050.00.

In connection with the Senior Mortgage and the Senior Indebtedness, Borrower hereby agrees as follows:

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- (i) Borrower shall comply in all respects with each and every one of the terms, provisions and conditions of the Senior Mortgage and shall make all payments required to be made pursuant to the terms of the Senior Mortgage before the expiration of any applicable grace periods provided in the Senior Mortgage for such payments;
- (ii) Borrower shall strictly comply with and promptly keep, observe and perform all covenants, terms, obligations, conditions and provisions of the Senior Mortgage and all instruments and documents evidencing or securing the indebtedness secured thereby. Any failure of Borrower to so comply, keep, observe and perform any of such covenants, terms, obligations, conditions and provisions shall constitute a default under this Mortgage entitling Lender to all rights and remedies provided herein in the case of other defaults hereunder. In the event of a conflict of any of the terms and provisions contained in the Senior Mortgage with any of the terms and provisions contained herein, Borrower's compliance, observation, keeping and performance of the conflicting terms and provisions of the Senior Mortgage shall not constitute an Event of Default hereunder and shall be deemed to be full compliance with the conflicting terms hereof;
- (iii) Borrower covenants and agrees that, to the extent Lender pays any sums evidenced or secured by the Senior Indebtedness or the Senior Mortgage, Lender shall become entitled to a lien on the Mortgaged Property equal in rank and priority to the Senior Mortgage and, in addition, to the extent necessary to make effective such rank and priorities: (a) Lender shall become subrogated to, receive and enjoy all the rights, liens, powers and privileges granted to the holder of the notes given by Borrower in connection with the Senior Indebtedness under the Senior Mortgage, and (b) the Senior Mortgage shall remain in existence for the benefit of and to further secure the debt and other sum secured, or that hereafter become secured, hereunder;
- (iv) Borrower shall not, without the prior written consent of Lender, modify, alter, amend or in any way change the Senior Mortgage or the note given in connection with the Senior Indebtedness, or any other instrument or document evidencing or securing the Senior Indebtedness or obtain any forbearance, indulgence, waiver or concession relating to any obligations thereunder. Borrower shall furnish immediately to Lender copies of any notices it receives from the holder of the Senior Mortgage. No obligation of Lender whether contained herein or in the Note is created for the benefit of the holder of the notes given in connection with the Senior Indebtedness, and such holder shall have no right to enforce any obligation or provision contained in this Mortgage;
- (v) unless Lender first consents thereto in writing, Borrower covenants and agrees not to exercise any right or privilege of prepayment of the Senior Mortgage;

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(vi) Lender shall, in case Borrower shall default in making any required payment when and as due under the Senior Mortgage, have the right to advance the funds necessary to cure such default, and all funds so advanced by Lender shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice, and with interest thereon at the Default Rate;

(vii) upon such payment of the Senior Indebtedness, the legal holder or holders of this Mortgage shall be and are hereby subrogated to all rights, liens and privileges which before such payment were held by and vested in the legal holder of the Senior Indebtedness, and upon such payment, shall be a first and valid lien, subrogated as are foresaid, upon the Mortgaged Property; and

(viii) none of the rights or obligations created hereunder or in this Mortgage or the Note are or shall be deemed to be created for the benefit of the holder of the Senior Mortgage, or the indebtedness secured thereby, and such holder shall have no right or power to enforce such rights or obligations contained herein, in this Mortgage, or in the Guaranty. Lender does not assume any of Borrower's duties and obligations under the Senior Mortgage.

44. **Definition: Senior Indebtedness.** As used herein, the term "**Senior Indebtedness**" shall mean the indebtedness incurred by Borrower pursuant to the following promissory notes executed by Borrower in favor of the Senior Lender:

that certain promissory note dated December 15, 2004 in the principal amount of \$180,050.00 due January 1, 2035.

45. **Waiver of Homestead.** In accordance with Illinois law, Borrower hereby releases and waives all rights under and by virtue of the Illinois homestead exemption laws.

46. **Condominium Covenants.** Borrower represents and warrants to Lender that the Real Estate includes a unit in, together with an undivided interest in the common elements of, a condominium project known as Glen Eagle Train ("**Condominium Project**"). If the condominium or owners association or other entity that acts for the Condominium Project ("**Association**") holds title to property for the benefit or use of its members or shareholders, the Real Estate also includes Borrower's interest in the Association and the uses, proceeds and benefits of Borrower's interest. Borrower and Lender further covenant and agree as follows:

(a) **Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "**Constituent Documents**" are the: (i) Declaration or other document which creates the Condominium Project; (ii) by-laws; (iii) rules or code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

(b) **Property Insurance.** So long as the Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts (including

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deductible levels), for the periods, and against loss by fire, hazards included within the term "special causes of loss", "extended coverage" or the equivalent and any other hazards, including, but not limited to, earthquakes and floods, from which Lender requires insurance, then (i) Lender waives the provisions in paragraph 11 for the deposit with Lender of the annual premium installments for property insurance coverage on the Real Estate; and (ii) Borrower's obligation under paragraph 10 to maintain property insurance on the Real Estate is deemed satisfied to the extent that the required coverage is provided by the Association policy. However:

(i) what Lender requires as a condition of this waiver can change during the term of the Loan;

(ii) Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy; and

(iii) in the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Real Estate, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Mortgage, whether or not then due, with the excess, if any, paid to Borrower.

(c) **Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

(d) **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Real Estate, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by this Mortgage, as provided in paragraph 12.

(e) **Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Real Estate or consent to: (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Constituent Documents if the provision is for self-management of the Association; (iii) termination of professional management and assumption of the public liability insurance coverage maintained by the Association unacceptable to Lender.

(f) **Remedies.** If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph shall become additional Indebtedness of Borrower secured by this Mortgage and the other Loan Documents. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest, upon notice from Lender to Borrower requesting payment.

[Signature Page Follows]

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This Mortgage has been executed and delivered by Borrower intending it to be effective on the day and year first above written.

Darrell J Hall
Darrell J. Hall

ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF COOK)

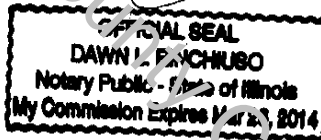
I Dawn L. Rinchiuso, a Notary Public in and for said county and state do hereby certify that Darrell J. Hall, an unmarried person, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes there in set forth.

Given under my hand and official seal, this 7TH day of July, 2010.

Dawn L. Rinchiuso
Notary Public
Dawn L. Rinchiuso

My Commission Expires:

3/26/14



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EXHIBIT A

Legal Description of the Real Estate

UNIT NUMBER 1111 IN GLENEAGLE TRAIL CONDOMINIUM, AS DELINEATED ON A PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF LAND: VARIOUS LOTS IN GLENEAGLE TRAIL, BEING A SUBDIVISION OF PART OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND CERTIFICATE OF CORRECTION RECORDED JANUARY 30, 2004, AS DOCUMENT 0403044047, IN COOK COUNTY, ILLINOIS, WHICH PLAT OF SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AUGUST 31, 2004, AS DOCUMENT NUMBER 0424418988; TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

Common Address: 6337 Berr Path Trail

Matteson, Illinois 60443

PIN: 31-20-114-014-1001

CH24850627.1

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