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Illinois Anti-Predatory  
Lending Database  
Program

Certificate of Exemption



Doc#: 1125729020 Fee: \$112.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 09/14/2011 10:26 AM Pg: 1 of 39

Report Mortgage Fraud  
800-532-8785

The property identified as: PIN: 20-23-114-042-0000

Address:

Street: 6510-12 SOUTH INGLESIDE AVENUE

Street line 2:

City: CHICAGO

State: IL

ZIP Code: 60637

Lender: THE BUDMAN BUILDING, LLC

Borrower: 6457 SOUTH KIMBARK, L.L.C., 6510-12 SOUTH INGLESIDE, LLC AND 6600 SOUTH KENWOOD L.L.C.

Loan / Mortgage Amount: \$425,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: F8599F0D-972B-4334-ABA1-FCD79A572D44

Execution date: 09/12/2011

BOX 334 CTI

242  
SP  
MT  
ST5124235

Property of Cook County Clerk's Office

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This Instrument Prepared by and to Returned to:

Andrew F. Lampert  
Federman Steifman LLP  
350 North Orleans Street  
Suite 950  
Chicago, Illinois 60654

Permanent Tax Index Numbers  
and Address:

See Exhibit A.

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**MORTGAGE, ASSIGNMENT OF RENTS AND LEASES,  
SECURITY AGREEMENT AND FIXTURE FILING**

from

**6457 SOUTH KIMBARK L.L.C., 6510-12 SOUTH INGLESIDE, LLC, and  
6600 SOUTH KENWOOD L.L.C.,**  
each an Illinois limited liability company

to

**THE BUDMAN BUILDING, LLC**  
an Illinois limited liability company

Dated as of September 12, 2011

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## **MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING**

**THIS MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING** dated as of September 12, 2011 (this "**Mortgage**"), is from **6457 SOUTH KIMBARK L.L.C.**, an Illinois limited liability company, **6510-12 SOUTH INGLESIDE, LLC**, an Illinois limited liability company, and **6600 SOUTH KENWOOD L.L.C.**, an Illinois limited liability company (individually and collectively, "**Mortgagor**"), to **THE BUDMAN BUILDING, LLC**, an Illinois limited liability company ("**Mortgagee**").

### **RECITALS**

A. Mortgagor has, concurrently herewith, executed and delivered to Mortgagee its Promissory Note (the "**Note**"), bearing even date herewith, payable to the order of Mortgagee, the terms of which are described in **Section 2.1** hereof; and

B. The Note evidences a loan being made by Mortgagee to Mortgagor, for the purpose of providing mortgage financing for the real estate described in **Exhibit A** attached hereto and the improvements located thereon.

### **AGREEMENTS**

**FOR GOOD AND VALUABLE CONSIDERATION**, including the indebtedness hereby secured, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby grants, bargains, sells, conveys and mortgages to Mortgagee and its successors and assigns forever, under and subject to the terms and conditions hereinafter set forth, all of Mortgagor's right, title and interest in and to the real estate located in the City of Chicago, County of Cook, State of Illinois, described in Exhibit A attached hereto and by this reference incorporated herein, including all improvements now and hereafter located thereon;

**TOGETHER WITH** all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to the following:

(a) All rents, issues, profits, royalties and income with respect to the said real estate and improvements and other benefits derived therefrom, subject to the right, power and authority given to Mortgagor to collect and apply same; and

(b) All leases or subleases covering the said real estate and improvements or any portion thereof now or hereafter existing or entered into, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature, and any and all guarantees of the lessee's obligations under any of such leases and subleases; and

(c) All privileges, reservations, allowances, hereditaments and appurtenances belonging or pertaining to the said real estate and improvements and all rights and estates in reversion or remainder and all other interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the said real estate and improvements; and

(d) All easements, development rights, rights-of-way and rights used in connection with the said real estate and improvements or as a means of ingress and

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gress thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same; and

(e) Any land lying within the right-of-way of any street, open or proposed, adjoining the said real estate and improvements, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the said real estate and improvements; and

(f) Any and all buildings and improvements now or hereafter erected on the said real estate, including, but not limited to, all the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements; and

(g) All materials intended for construction, reconstruction, alteration and repairs of the said real estate and improvements, all of which materials shall be deemed to be included within the said real estate and improvements immediately upon the delivery thereof to the said real estate; and

(h) All fixtures attached to or contained in and used in connection with the said real estate and improvements; and all items of furniture, furnishings, equipment and personal property used or useful in the operation of the said real estate and improvements; and all renewals, substitutions and replacements for any or all of the foregoing, and all proceeds therefrom, whether or not the same are or shall be attached to the said real estate and improvements in any manner; it being mutually agreed, intended and declared that all the aforesaid property placed by Mortgagor on and in the said real estate and improvements shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to any of the aforesaid property which does not so form a part and parcel of the real estate or does not constitute a "fixture" (as such term is defined in the "**Code**" as defined in Section 1.1 hereof), this Mortgage is intended to be a security agreement under the Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as secured party; and

(i) All the estate, interest, right, title and other claims and demands, including claims or demands with respect to any proceeds of insurance related thereto, which Mortgagor now has or may hereafter acquire in the said real estate and improvements or personal property and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the said real estate and improvements or personal property, including without limitation any awards resulting from a change of grade of streets and awards for severance damages; and

(j) All of the following which relate to the said real estate and improvements: All present and future plans, specifications, licenses, permits and approvals, all present and future management, supply and other contracts and agreements of every sort, and all present and future obligations and indebtedness owed to Mortgagor thereunder, all present and future intellectual property, and all other present and future general intangibles; and

(k) All proceeds of all of the foregoing; and

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(l) All present and future agreements for the sale of Condominium Units, all amounts payable to Mortgagor under such agreements, and all proceeds of the foregoing, subject to the rights of purchasers thereunder;

the said real estate and improvements and the property and interests described in (a) through (l) above being collectively referred to herein as the "**Property**"; and as to any portion of the Property constituting property subject to the Code, this Mortgage is intended to be a security agreement under the Code for the purpose of creating hereby a security interest in such portion of the Property, which Mortgagor hereby grants to Mortgagee as secured party.

**TO HAVE AND TO HOLD** the same unto Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth.

**FOR THE PURPOSE OF SECURING** the following (but not exceeding \$850,000 in the aggregate):

(a) Payment of the indebtedness evidenced by the Note, and including the principal thereof and interest thereon and any and all modifications, extensions and renewals thereof, and performance of all obligations of Mortgagor under the Note; and

(b) Performance and observance by Mortgagor of all of the terms, covenants and provisions of this Mortgage and

(c) Performance and observance by the parties thereto, other than Mortgagee, of all of the terms, covenants and provisions of the other "**Loan Documents**" (as defined in Section 1.1 hereof); and

(d) Payment of all sums advanced by Mortgagee to perform any of the terms, covenants and provisions of this Mortgage or any of the other Loan Documents, or otherwise advanced by Mortgagee pursuant to the provisions hereof or any of such other documents to protect the property hereby mortgaged and pledged; and

(e) Performance and observance of all of the terms, covenants and provisions of any other instrument given to evidence or further secure the payment and performance of any indebtedness hereby secured or any obligation secured hereby; and

(f) Payment of any future or further advances which may be made by Mortgagee at its sole option to and for the benefit of Mortgagor, its successors, assigns and legal representatives.

**PROVIDED, HOWEVER**, that if Mortgagor shall pay the principal and all interest as provided in the Note and shall pay all other sums herein provided for, or secured hereby, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage shall be released at the cost of Mortgagor, otherwise to remain in full force and effect.

**TO PROTECT THE SECURITY OF THIS MORTGAGE AND SECURITY AGREEMENT, MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:**

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## ARTICLE I

### DEFINITIONS

**Section 1.1. Definitions.** The terms defined in this Section (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Mortgage shall have the respective meanings specified in this Section.

**"Approved Sale Agreement"** means an executed sales agreement for the sale of a Condominium Unit to a bona fide purchaser unaffiliated with Mortgagor or Guarantor which shall, unless otherwise permitted by Mortgagee, (i) require full payment in cash to Mortgagor at closing, (ii) require, upon execution of the sales agreement, a cash deposit of not less than \$1,000 (the "**Condominium Unit Deposit**"), and (iii) be in the form approved by Mortgagee and contain no contingencies other than those contingencies that are customarily permitted in sales agreements for condominiums in the City of Chicago.

**"Code"** means the Uniform Commercial Code of the State of Illinois as from time to time in effect.

**"Condominium"** means one or more of the condominiums created under the Condominium Documents.

**"Condominium Board"** means the organization or association managing a Condominium by virtue of the Condominium Documents on behalf of all of the owners of the Condominium Units comprising such Condominium.

**"Condominium Documents"** means the Property Report, the Condominium Declaration, the By-Laws, and rules and regulation of the Condominium Board for each Condominium and any and all other documentation related to the proper operation of the condominium regime currently existing at the Property under Illinois law.

**"Condominium Release Payment"** means, with respect to each Condominium Unit:

<b><u>Condominium Unit</u></b>	<b><u>Condominium Release Payment</u></b>
6457 South Kimbark Avenue, Unit 2S	\$182,000
6457 South Kimbark Avenue, Unit 3S	\$175,000 (\$100,000 if paid by November 1, 2011)
6457 South Kimbark Avenue, Unit 3N	\$175,000
6608 South Kenwood Avenue, Unit 1	\$154,000
6608 South Kenwood Avenue, Unit 3	\$105,000
6510 South Ingleside Avenue, Unit 1	\$182,000
6512 South Ingleside Avenue, Unit 1	\$182,000
6512 South Ingleside Avenue, Unit 3	\$119,000

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**"Condominium Unit"** shall mean each individual residential unit of which the Property is composed together with any appurtenant interest in the common elements.

**"Default"** means, when used in reference to this Mortgage or any other document, or in reference to any provision of or obligation under this Mortgage or any other document, the occurrence of an event or the existence of a condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default under this Mortgage or such other document, as the case may be.

**"Environmental Laws"** means the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, and any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material, in each case as now or hereafter in force and effect.

**"Event of Default"** means --

(i) when used in reference to this Mortgage, an Event of Default specified in Section 5.1 hereof; and

(ii) when used in reference to any other document, a default or event of default under such document that has continued after the giving of any applicable notice and the expiration of any applicable grace or cure periods.

**"Guarantor"** means Lewis Korompilas and Debbie Korompilas, individually and together, as the context may require.

**"Guaranty"** means the Guaranty of Payment and Performance dated as of September 12, 2011, from the Guarantor to Mortgagee.

**"Hazardous Material"** means any hazardous substance or any pollutant or contaminant defined as such in, or for purposes of, any federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, in each case as now or hereafter in force and effect; asbestos or any substance or compound containing asbestos; polychlorinated biphenyls or any substance or compound containing any polychlorinated biphenyl; petroleum and petroleum products; pesticides; and any other hazardous, toxic or dangerous waste, substance or material.

**"Impositions"** means Impositions as defined in Section 2.6(a) hereof.

**"Loan"** means the loan to be made by Mortgagee to Mortgagor in accordance with the terms and conditions of the Note and this Mortgage.

**"Loan Documents"** means the Note, this Mortgage, the Guaranty, and all other documents and instruments at any time evidencing and securing the indebtedness secured by this Mortgage.

**"Mortgage"** means this Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of September 12, 2011, from Mortgagor to Mortgagee.

**"Mortgagee"** means The Budman Building, LLC, an Illinois limited liability company.

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**"Mortgagor"** means 6457 South Kimbark L.L.C., an Illinois limited liability company, 6510-12 South Ingleside, LLC, an Illinois limited liability company, and 6600 South Kenwood L.L.C., an Illinois limited liability company, individually and collectively, as the context may require.

**"Note"** means the Promissory Note of Mortgagor dated September 12, 2011, in the principal amount of \$425,000, made payable to the order of Mortgagee, and which evidences the Loan.

**"Permitted Encumbrances"** means those exceptions to title in Schedule B to that certain Chicago Title Insurance Company Title Insurance Policy of even date herewith and known as Order Number 1409 ST5124235.

**"Permitted Materials"** means materials customarily used in the construction and maintenance of buildings, and cleaning materials, office products and other materials customarily used in the operation of properties such as the Property, provided that, in each case, such materials are stored, handled, used and disposed of in compliance with applicable laws and regulations and are individually and in the aggregate not in such quantities as may result in contamination of the Property or any part thereof.

**"Property"** means the real estate described in Exhibit A attached hereto and all improvements now and hereafter located thereon, and all other property, rights and interests described in the foregoing granting clauses of this Mortgage.

## ARTICLE II

### COVENANTS AND AGREEMENTS OF MORTGAGOR

**Section 2.1. Payment of Indebtedness.** Mortgagor covenants and agrees that it will pay when due the principal of and interest on the indebtedness hereby secured evidenced by the Note, all other sums which may become due pursuant thereto or hereto, and all other indebtedness hereby secured as described in the foregoing granting clauses of this Mortgage, including, but not limited to, all charges, fees and all other sums to be paid by Mortgagor as provided in the Loan Documents, and that it will duly and punctually perform, observe and comply with all of the terms, provisions and conditions herein and in the other Loan Documents provided to be performed and observed by Mortgagor. All amounts payable under this Mortgage shall be paid by Mortgagor without offset or other reduction. The Note secured hereby, which is hereby incorporated into this Mortgage by reference with the same effect as if set forth in full herein, is in the principal amount of \$425,000, and bears interest at a fixed rate of fifteen percent (15%) per annum. Interest is payable on the Note in arrears on the first day of each month commencing as provided in the Note. All of the unpaid principal of and accrued and unpaid interest on the Note shall be due and payable on March 11, 2012.

**Section 2.2. Escrow Deposits.** In order to provide moneys for the payment of the Impositions on the Property required to be paid by Mortgagor pursuant to Section 2.6 hereof and the premiums on the insurance required to be carried by Mortgagor pursuant to Section 2.4 hereof, Mortgagor shall pay to Mortgagee with each monthly payment on the Note such amount as Mortgagee shall estimate will be required to accumulate, by the date 30 days prior to the due date of the next annual installment of such Impositions and insurance premiums, through substantially equal monthly payments by Mortgagor to Mortgagee, amounts sufficient to pay



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such next annual Impositions and insurance premiums. All such payments shall be held by Mortgagee in escrow, and Mortgagee shall not be obligated to pay interest thereon. Amounts held in such escrow shall be made available by Mortgagee to Mortgagor for the payment of the Impositions and insurance premiums on the Property when due, or may be applied thereto by Mortgagee if it in its sole discretion so elects. Notwithstanding anything to the contrary set forth above, Mortgagee acknowledges that it has waived the requirement for the escrow deposits provided for in this Section prior to the occurrence of an Event of Default. Accordingly, Mortgagee shall not initially require Mortgagor to make the escrow deposits provided for in this Section, but upon the occurrence of an Event of Default, Mortgagee may thereafter in its sole discretion elect to require that Mortgagor commence making such escrow deposits by giving Mortgagor not less than 5 days' written notice of such election.

**Section 2.3. Maintenance, Repair, Alterations.** Mortgagor shall --

- (i) Keep the Property in good condition and repair;
- (ii) Not remove, demolish or substantially alter any of the improvements which are a part of the Property;
- (iii) Complete promptly and in a good and workmanlike manner the construction of any improvements which may be constructed on or at the Property;
- (iv) Promptly repair and restore any portion of the Property which may become damaged or be destroyed so as to be of at least equal value and of substantially the same character as prior to such damage or destruction;
- (v) Pay when due all claims for labor performed and materials furnished to and for the Property;
- (vi) Comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Property or any part thereof or requiring any alterations or improvements;
- (vii) Not commit or permit any waste or deterioration of the Property or any portion thereof;
- (viii) Keep and maintain the Property and abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair and free of nuisance;
- (ix) Not commit, suffer or permit any act to be done in or upon the Property in violation of any law, ordinance or regulation;
- (x) Not initiate or acquiesce in any zoning change or reclassification of the Property; and
- (xi) Keep the Property free and clear of all liens and encumbrances of every sort except Permitted Encumbrances.

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## **Section 2.4. Required Insurance.**

(a) Mortgagor shall at all times provide, maintain and keep in force, or cause to be provided, maintained and kept in force, the following policies of insurance:

(i) Insurance against loss or damage to the Property by fire and other risks, written on an "all risk" special perils, 100% full replacement cost basis.

(ii) Commercial general liability insurance on an occurrence basis, against claims for personal injury, including without limitation bodily injury, death or property damage occurring on, in or about the Property and the adjoining streets, sidewalks and passageways, such insurance to afford immediate minimum protection to a limit of not less than \$1,000,000 for one person and \$3,000,000 per occurrence for personal injury or death and \$500,000 per occurrence for damage to property.

(iii) During the course of any construction or repair at the Property, all risk builders risk course of construction insurance against all risks of physical loss, on a completed value basis including collapse and transit coverage, with a deductible not to exceed \$10,000, in nonreporting form, covering the total value of work performed and equipment, supplies and materials furnished, and containing the "permission to occupy" endorsement, and insuring all general contractors and subcontractors of any tier.

(iv) Such other insurance, and in such amounts, as may from time to time be required by Mortgagee against the same or other hazards.

(b) All policies of insurance required by this Mortgage shall be issued by companies, and in amounts in each company, and in a form satisfactory to Mortgagee and, without limitation on the generality of the foregoing, shall comply with the following provisions:

(i) All policies of insurance shall be issued by insurance companies having an AM Best's Rating Guide Policy Rating of not less than A and Financial Rating of not less than VIII.

(ii) All policies of insurance shall be maintained for and name Mortgagor and Mortgagee as insureds, as their respective interests may appear, and the policies required by paragraphs (a)(i) and (iii) of this Section shall have attached thereto a standard mortgagee's loss payable endorsement for the benefit of Mortgagee in form satisfactory to Mortgagee.

(iii) All policies of insurance shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor or Mortgagee which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim or deductions against Mortgagor, and shall provide that the amount payable for any loss shall not be reduced by reason of co-insurance.

(iv) All policies of insurance shall contain a provision that they will not be cancelled or amended, including any reduction in the scope or limits of coverage, without at least 30 days' prior written notice to Mortgagee.

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(c) The following notice is provided pursuant to paragraph (3) of Section 180/10 of Chapter 815 of the Illinois Compiled Statutes, as amended. As used herein, "you" means Mortgagor and "we" and "us" means Mortgagee: Unless you provide evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we 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 your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own.

**Section 2.5. Delivery of Policies; Payment of Premiums.** Mortgagor shall furnish Mortgagee with the original of all required policies of insurance or certificates satisfactory to Mortgagee. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Mortgagee with evidence satisfactory to Mortgagee of the payment of the premium and the reissuance of a policy continuing insurance in force as required by this Mortgage.

**Section 2.6. Taxes and Other Impositions.**

(a) Mortgagor shall pay or cause to be paid, at least 10 days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation any non-governmental levies or assessments such as maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Property, which are assessed or imposed upon the Property, or become due and payable, and which create, may create or appear to create a lien upon the Property, or any part thereof (all of which taxes, assessments and other governmental charges and non-governmental charges of the above-described or like nature are hereinafter referred to as "**Impositions**"), provided however, that if, by law, any such Imposition is payable, or at the option of the taxpayer may be paid, in installments, Mortgagor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) Mortgagor shall furnish to Mortgagee within 30 days after the date upon which any Imposition is due and payable by Mortgagor, official receipts of the appropriate taxing authority, or other proof satisfactory to Mortgagee, evidencing the payment thereof.

**Section 2.7. Utilities.** Mortgagor shall pay or cause to be paid when due all utility charges which are incurred by Mortgagor or others for the benefit of or service to the Property or which may become a charge or lien against the Property for gas, electricity, water or sewer services furnished to the Property and all other assessments or charges of a similar nature, whether public or private, affecting the Property or any portion thereof, whether or not such assessments or charges are liens thereon.

**Section 2.8. Actions by Mortgagee to Preserve Property.** Should Mortgagor fail to make any payment or to do any act as and in the manner provided herein or in any of the other

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Loan Documents, Mortgagee in its own discretion, without obligation so to do and without releasing Mortgagor from any obligation, may make or do the same in such manner and to such extent as it may deem necessary to protect the security hereof. In connection therewith, without limiting its general powers, Mortgagee shall have and is hereby given the right, but not the obligation, (i) to enter upon and take possession of the Property; (ii) to make additions, alterations, repairs and improvements to the Property which it may consider necessary and proper to keep the Property in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the Property, the security hereof or the rights or powers of Mortgagee; (iv) to pay any Impositions asserted against the Property and to do so according to any bill, statement or estimate procured from the appropriate office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any Imposition; (v) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee may affect or appears to affect the Property or the security of this Mortgage or which may be prior or superior hereto; and (vi) in exercising such powers, to pay necessary expenses, including employment of and payment of compensation to counsel or other necessary or desirable consultants, contractors, agents and other employees. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney in fact, at Mortgagee's election, to do and cause to be done all or any of the foregoing in the event Mortgagee shall be entitled to take any or all of the action provided for in this Section. Mortgagor shall immediately, upon demand therefor by Mortgagee, pay all costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation, costs of evidence of title, court costs, appraisals, surveys and reasonable attorneys fees and expenses, all of which shall constitute so much additional indebtedness secured by this Mortgage immediately due and payable, with interest thereon from the date of such demand until paid at the Default Rate (as such term is defined in the Note).

## **Section 2.9. Damage and Destruction.**

(a) Mortgagor shall give Mortgagee prompt notice of any damage to or destruction of any portion or all of the Property, and the provisions contained in the following paragraphs of this Section shall apply in the event of any such damage or destruction.

(b) In the case of loss covered by policies of insurance, Mortgagee is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of Mortgagor, or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; and in any case Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the reasonable expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional indebtedness secured by this Mortgage, and shall be reimbursed to Mortgagee upon demand.

(c) In the event of any insured damage to or destruction of the Property or any part thereof the proceeds of insurance payable as a result of such loss shall be applied upon the indebtedness secured by this Mortgage or applied to the repair and restoration of the Property, as Mortgagee in its sole discretion shall elect.

(d) In the event that Mortgagee shall elect that proceeds of insurance are to be applied to the repair and restoration of the Property, Mortgagor hereby covenants promptly to repair and restore the same. In such event such proceeds shall be made available, from time to time, to pay or reimburse the costs of such repair and restoration, upon Mortgagee's being furnished with satisfactory evidence of the estimated cost of such repair and restoration and

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with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Mortgagee may require and approve, and if the estimated cost of the work exceeds 10% of the original principal amount of the indebtedness secured hereby, with all plans and specifications for such repair or restoration as Mortgagee may require and approve. No payment made prior to the final completion of the work shall exceed 90% of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens.

(e) Notwithstanding anything to the contrary contained in this Section 2.9, if the terms of the Condominium Documents require that any proceeds of insurance be made available to repair or restore the Property, then such proceeds shall be made available by Mortgagee to be used for such repair and restoration as required by the Condominium Documents, and, to the extent not inconsistent with the Condominium Documents, pursuant to the procedures set forth in this Section 2.9.

## **Section 2.10. Eminent Domain.**

(a) Should the Property or any part thereof or interest therein be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or should Mortgagor receive any notice or other information regarding any such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee, and the provisions contained in the following paragraphs of this Section shall apply.

(b) Mortgagee shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Mortgagee shall also be entitled to make any compromise or settlement in connection with such taking or damage. All proceeds of compensation, awards, damages, rights of action and proceeds awarded to Mortgagor are hereby assigned to Mortgagee and Mortgagor shall execute such further assignments of such proceeds as Mortgagee may require.

(c) In the event that any portion of the Property are taken or damaged as aforesaid, all such proceeds shall be applied upon the indebtedness secured by this Mortgage or applied to the repair and restoration of the Property, as Mortgagee in its sole discretion shall elect.

(d) In the event that Mortgagee shall elect that such proceeds are to be applied to the repair and restoration of the Property, Mortgagor hereby covenants promptly to repair and restore the same. In such event such proceeds shall be made available, from time to time, to pay or reimburse the costs of such repair and restoration on the terms provided for in Section 2.9(d) hereof with respect to insurance proceeds.

(e) Notwithstanding anything to the contrary contained in this Section 2.10, if the terms of the Condominium Documents require that any condemnation awards or other payments be made available to repair or restore the Property, then such awards or other payments shall be made available by Mortgagee to be used for such repair and restoration as required by the Condominium Documents, and, to the extent not inconsistent with the Condominium Documents, pursuant to the procedures set forth in this Section 2.10.

**Section 2.11. Inspection of Property.** Mortgagee, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Property for

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the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage or any of the other Loan Documents. Mortgagee agrees that, except in an emergency, Mortgagee shall provide Mortgagor with not less than 24 hours' prior written notice of any entry under this Section 2.11.

## **Section 2.12. Inspection of Books and Records.**

(a) Mortgagor shall keep and maintain full and correct records showing in detail the income and expenses of the Property and shall make such books and records and all supporting vouchers and data available for examination by Mortgagee and its agents at any time and from time to time on request at the offices of Mortgagee, or at such other location as may be mutually agreed upon.

(b) Mortgagor shall also furnish to Mortgagee such other information and data with respect to the Property as may be requested by Mortgagee including, without limitation, monthly updates regarding the marketing and sale of the Condominium Units.

## **Section 2.13. Title, Liens and Conveyances.**

(a) Mortgagor represents and warrants that it holds good and marketable title to the Property, subject only to Permitted Encumbrances.

(b) Except for Permitted Encumbrances, Mortgagor shall not create, suffer or permit to be created or filed against the Property, or any part thereof or interest therein, any mortgage lien or other lien, charge or encumbrance, either superior or inferior to the lien of this Mortgage. In the event that Mortgagor shall suffer or permit any superior or junior lien, charge or encumbrance to be attached to the Property and shall fail to discharge same as described above, Mortgagee, at its option, shall have the unqualified right to accelerate the maturity of the Note causing the full principal balance and accrued interest on the Note to become immediately due and payable without notice to Mortgagor.

(c) Intentionally Deleted.

(d) In the event that Mortgagor shall sell, transfer, convey or assign the title to all or any portion of the Property, whether by operation of law, voluntarily, or otherwise, or, except as specifically contemplated herein, Mortgagor shall contract to do any of the foregoing, Mortgagee, at its option, shall have the unqualified right to accelerate the maturity of the Note causing the full principal balance and accrued interest on the Note to become immediately due and payable without notice to Mortgagor.

(e) Any waiver by Mortgagee of the provisions of this Section shall not be deemed to be a waiver of the right of Mortgagee to insist upon strict compliance with the provisions of this Section in the future.

## **Section 2.14. Taxes Affecting Mortgage.**

(a) If at any time any federal, State or municipal law shall require any documentary stamps or other tax hereon or on the Note, or shall require payment of any tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of Mortgagee upon 30 days' notice to Mortgagor; provided, however, that said election shall be unavailing and this Mortgage and the

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Note shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or on behalf of Mortgagee and Mortgagor does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

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

## **Section 2.15. Environmental Matters.**

(a) Mortgagor hereby represents and warrants to Mortgagee that, with the exception of Permitted Materials, (i) neither Mortgagor nor any of its affiliates or subsidiaries, nor, to the best of Mortgagor's knowledge, any other person or entity, has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Property or any part thereof; (ii) none of the property described above has ever been used by Mortgagor or any of its affiliates or subsidiaries, or to the best of Mortgagor's knowledge, by any other person or entity, as a treatment, storage or disposal site, whether permanent or temporary, for any Hazardous Material; (iii) there are no above ground or underground storage tanks located on the Property; and (iv) neither Mortgagor nor the Property are subject to any private or governmental lien or judicial or administrative notice or action pending, or to the best of Mortgagor's knowledge, threatened, relating to Hazardous Materials or the environmental condition of the Property.

(b) Mortgagor shall not allow any Hazardous Materials other than Permitted Materials to be stored, located, discharged, possessed, managed, processed or otherwise handled on the Property, and shall comply with all Environmental Laws affecting the Property.

(c) Without limitation on any other provision hereof, Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever, including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law, paid, incurred or suffered by or asserted against Mortgagee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, Mortgagor: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Material from the Property or any part thereof, or (ii) any liens against the Property permitted or imposed by any Environmental Law, or any actual or asserted liability or obligations of Mortgagor or any of its affiliates or subsidiaries under any Environmental Law, or (iii) any

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actual or asserted liability or obligations of Mortgagee or any of its affiliates or subsidiaries under any Environmental Law relating to the Property.

(d) The representations, warranties, covenants, indemnities and obligations provided for in this Section 2.15 shall be continuing and shall survive the payment, performance, satisfaction, discharge, cancellation, termination, release and foreclosure of this Mortgage; provided, however, that such representations, warranties, covenants, indemnities and obligations shall not apply with respect to Hazardous Materials which are first placed on the Property on or after the date on which Mortgagee or any other party obtains title to and possession of the Property as a result of an exercise by Mortgagee of its remedies under this Mortgage or any of the other Loan Documents or as a result of a conveyance of title to the Property by Mortgagor to Mortgagee or such other party in lieu of such exercise of remedies.

**Section 2.16. Estoppel Letters.** Mortgagor shall furnish from time to time within 15 days after Mortgagee's request, a written statement, duly acknowledged, of the amount due upon this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

**Section 2.17. Unit Sale Covenants.**

(a) Subject to the terms of this Mortgage, Mortgagor may sell the Condominium Units to third parties pursuant to Approved Sales Agreements. In no event shall Mortgagor enter into any sales agreements for Condominium Units other than Approved Sales Agreements.

(b) Mortgagor shall, until such time as the Loan is repaid in full, cause all Condominium Unit Deposits received from purchasers to be deposited into escrow and each such Condominium Deposit shall be held and disbursed by such escrowee in accordance with the terms of the applicable Approved Sales Agreement. Mortgagor hereby grants to Mortgagee a security interest in all Condominium Unit Deposits, subject to the rights of purchasers under the Approved Sales Agreements, the Condominium Documents, and applicable law.

(c) Mortgagor (i) shall perform, and cause each purchaser to perform, all of their respective obligations under the Approved Sales Agreements and shall keep each of the Approved Sales Agreements in full force and effect without default or any termination or right of termination on the part of the purchaser occurring thereunder, and (ii) Mortgagor shall not amend, modify, supplement or terminate, or permit any amendment, modification, supplement, or termination to occur under the Approved Sales Agreements except in the ordinary course of business consistent with reasonably prudent business practices.

**Section 2.18. Unit Releases.** Provided no Event of Default has occurred and is continuing under any of the Loan Documents, Mortgagee shall permit the closing of sales of Condominium Units by Mortgagor pursuant to Approved Sales Agreements, and shall deliver into escrow any required mortgage release required in connection with each sale of a Condominium Unit (each, a "Unit Release"), upon Mortgagor's compliance with the following terms and conditions, in form and substance satisfactory to Mortgagee:

(a) Mortgagor shall give Mortgagee not less than ten (10) days' prior written notice of each proposed closing of the sale of a Condominium Unit. Such written notice shall include a request for a Unit Release and all evidence, information and other items required by



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Mortgagee including, but not limited to, a copy of the Approved Sales Agreement and a pro forma settlement statement.

(b) Each closing of the sale of a Condominium Unit shall be effectuated pursuant to the terms of an escrow with Chicago Title Insurance Company (or another national title insurance company reasonable acceptable to Mortgagee).

(c) All closing costs shall be paid in full at closing and all other fees, costs and expenses of the sale shall be paid in full at the closing and neither Mortgagor nor any other person shall have any obligation to make post-closing payments on account thereof which are not held in deposit in the title escrow under instructions for disbursement of the same upon closing to the persons to whom the same are owed pursuant to closing instructions reasonably satisfactory to Mortgagee.

(d) Mortgagee shall have received in cash or by wire transfer of immediately available funds (i) the Condominium Release Payment for such Condominium Unit, plus (ii) any costs incurred by Mortgagee in connection with the review of the Approved Sales Agreement and preparation and delivery of the Unit Release (such costs not to exceed \$150.00 without prior notice to Mortgagor). All such payments shall be applied in the following order of priority:

- (i) first, to pay all costs, expenses, and fees incurred by or owing to Mortgagee;
- (ii) second, to repay the current and outstanding interest on the Loan;
- (iii) third, to pay any Prepayment Fee (as defined in the Note) due and owing to Mortgagee;
- (iv) fourth, to repay the outstanding principal balance of the Loan; and
- (v) last, once the Loan and all other amounts payable to Lender have been paid in full, to Mortgagor.

The parties acknowledge that (1) each Condominium Release Payment is the amount that must be paid to Lender as a condition to the delivery of the Unit Release, (2) the Condominium Release Payment may not be reduced by any costs or expenses of the sale of the applicable Condominium Unit, and (3) in no event shall Mortgagee be required to accept any amount less than the applicable Condominium Release Payment in exchange for the applicable Unit Release.

(e) The portion of the Property remaining subject to the lien of the Mortgage after the release of a Condominium Unit will continue to be in compliance with the requirements of the Mortgage and the Condominium Documents, and will remain in full compliance with all legal requirements (including, without limitation, applicable zoning and subdivisions laws).

**Section 2.19. Single Purpose Covenants.** No Mortgagor shall hold or acquire, directly or indirectly, any ownership interest (legal or equitable) in any real or personal property other than its interest in the Property, or become a shareholder of or a member or partner in any entity which acquires any property other than the Property, until such time as the Loan has been fully repaid. Each Mortgagor's operating agreement shall limit its purpose to the acquisition,

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operation, management and disposition of the Property, and such purposes shall not be amended without the prior written consent of Lender. Each Mortgagor covenants:

(a) To maintain its assets, accounts, books, records, financial statements, stationery, invoices, and checks separate from and not commingled with any of those of any other person or entity;

(b) To hold itself out as a separate entity, correct any known misunderstanding regarding its separate identity, maintain adequate capital in light of its contemplated business operations, and observe all organizational formalities;

(c) Not to guarantee or become obligated for the debts of any other entity or person or hold out its credits as being available to satisfy the obligations of others;

(d) Not to pledge its assets for the benefit of any other entity or person or make any loans or advances to any person or entity;

(e) Neither such Mortgagor nor any constituent party of such Mortgagor will seek the dissolution or winding up, in whole or in part, of such Mortgagor, nor will such Mortgagor merge with or be consolidated into any other entity;

(f) Such Mortgagor has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any constituent party of such Mortgagor, any affiliate, any guarantor of the Note or any other person; and

(g) Such Mortgagor now has and will hereafter have no debts or obligations other than normal accounts payable in the ordinary course of business, this Mortgage, and the Loan.

## ARTICLE III

### LEASES; DECLARATION OF SUBORDINATION TO LEASES

**Section 3.1. Leases.** Mortgagor agrees that it will not enter into any lease of the Property or any portion thereof without the prior written consent of Mortgagee. Unless otherwise approved by Mortgagee, all leases of space in the Property shall be prepared on a lease form approved by Mortgagee. Nothing herein contained shall be deemed to obligate Mortgagee to perform or discharge any obligation, duty or liability of the lessor under any lease of the Property, and Mortgagor shall and does hereby indemnify and hold Mortgagee harmless from any and all liability, loss or damage which Mortgagee may or might incur under any leases of the Property; and any and all such liability, loss or damage incurred by Mortgagee, together with the costs and expenses, including reasonable attorneys fees and expenses, incurred by Mortgagee in the defense of any claims or demands therefor, whether successful or not, shall be so much additional indebtedness secured by this Mortgage, and Mortgagor shall reimburse Mortgagee therefor on demand.

**Section 3.2. Declaration of Subordination to Leases.** At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases and subleases of all or any part of the Property upon the execution by Mortgagee and

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recording thereof, at any time hereafter, in the Office of the Recorder of Deeds of the county wherein the Property are situated, of a unilateral declaration to that effect.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

**Section 4.1. Representations and Warranties.** Mortgagor hereby represents and warrants to Mortgagee as follows:

(a) Each Mortgagor is an Illinois limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois, has all necessary power and authority to carry on its present business, and has full right, power and authority to enter into the Note and Mortgage, to make the borrowings provided for therein and herein, to execute and deliver the Note and the other Loan Documents to which it is a party, and to perform and consummate the transactions contemplated hereby and thereby.

(b) Each of the Loan Documents has been duly authorized, executed and delivered by such of Mortgagor and Guarantor as are parties thereto, and each of the Loan Documents constitutes a valid and legally binding obligation enforceable against such of Mortgagor and Guarantor as are parties thereto. The execution and delivery of the Loan Documents and compliance with the provisions thereof under the circumstances contemplated therein do not and will not conflict with or constitute a breach or violation of or default under the articles of organization or operating agreement of Mortgagor, or any agreement or other instrument to which Mortgagor or Guarantor is a party or by which either of them is bound, or to which any of their properties are subject, or any existing law, administrative regulation, court order or consent decree to which either of them is subject.

(c) Mortgagor and the Guarantor are in full compliance with all of the terms and conditions of the Loan Documents to which they are a party, and no Default or Event of Default has occurred and is continuing with respect to any of the Loan Documents.

(d) All plans, contracts, budgets, agreements, surveys, consents, waivers, documents and writings of every kind or character relating to the transactions contemplated hereby delivered to Mortgagee, whether pursuant to the provisions of this Mortgage or otherwise, are or will at the time of delivery be valid and enforceable and in all respects what they purport to be, and to the extent that any such writing shall impose any obligation or duty on Mortgagor or Guarantor or shall constitute a waiver of any rights which Mortgagor or Guarantor might otherwise have, such writing shall be valid and enforceable against Mortgagor or Guarantor in accordance with its terms.

(e) There is no litigation or administrative proceeding pending or threatened to restrain or enjoin the transactions contemplated by this Mortgage or any of the other Loan Documents, or questioning the validity thereof, or in any way contesting the existence or powers of Mortgagor or Guarantor, or in which an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Mortgage or any of the other Loan Documents. There is no litigation or administrative proceeding pending or threatened against Mortgagor or Guarantor. There is no Uniform Commercial Code financing statement on file that names Mortgagor or Guarantor as debtor and covers any of the collateral for the Loan, and there is no judgment or tax lien outstanding against Mortgagor or Guarantor.

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(f) All financial statements heretofore and hereafter delivered to Mortgagee by Mortgagor, whether of Mortgagor, Guarantor or related or affiliated entities, are and will be true and correct in all material respects, in the case of audited financial statements, have been and will be prepared in accordance with generally accepted accounting principles consistently applied, and, in the case of all such financial statements, do and will truly and accurately reflect the financial condition and contingent liabilities of the parties to which they relate and the results of the operations for the parties to which they relate as of the dates thereof and for the periods covered thereby. Since the date of the latest of such financial statements delivered to Mortgagee, there has been no material adverse change in the financial condition or in the assets or liabilities of such parties or any material increase in their contingent liabilities. Any requisite income tax returns and reports of such parties have been filed, or extensions of the time for filing same have been obtained, and no income taxes or penalties of such parties are due and no controversy or objection in respect of such parties' income tax returns and reports is pending or threatened.

(g) Mortgagor has good and marketable title to the Property, subject only to Permitted Encumbrances. The Condominium Documents are in full force and effect and have not been modified or amended. No Default or Event of Default under the Condominium Documents on the part of Mortgagor has occurred and is continuing.

(h) The Property is taxed as one or more separate tax parcels which do not include any property other than the Property.

(i) Under applicable law, the Property may be mortgaged, conveyed and otherwise dealt with as a separate legal parcel.

(j) The Property does not violate any presently existing governmental regulation with respect thereto, or the Condominium Declaration, and the current and anticipated use of the Property complies with all presently existing applicable ordinances, regulations and the Condominium Declaration.

(k) All utility services necessary for the operation of the Property for its intended purposes are available at the Property, including water supply, storm and sanitary sewer facilities and gas and/or electric and telephone facilities.

(l) All roads, easements and other necessary modes of ingress and egress to the Property necessary for the full utilization of the Property for its intended purposes have been completed or obtained.

(m) Mortgagor has not received notice of, and has no knowledge of, (i) any proceedings, whether actual, pending or threatened, for the taking under the power of eminent domain or any similar power or right, of all or any portion of the Property (or the buildings in which the Property is located), or of any other collateral security for the Loan; or (ii) any damage to or destruction of any portion of the Property or such other property; or (iii) any zoning, building, fire or health code violations in respect of the Property (or the buildings in which the property is located) which have not heretofore been corrected.

(n) As of the date of this Mortgage, no portion of the Property is subject to a lease or other right of occupancy.

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(o) The statements by or concerning Mortgagor and the Property contained in the recitals hereto and in the other Loan Documents are true and correct.

**Section 4.2. Continuing Representations and Warranties.** The foregoing representations and warranties of Mortgagor shall be continuing and shall survive the execution and delivery of this Mortgage, the other Loan Documents and the disbursement of the Loan. In addition, such representations and warranties relating to Hazardous Material shall survive the payment and performance of the obligations of Mortgagor under the Note and the Mortgage.

## ARTICLE V

### EVENTS OF DEFAULT AND REMEDIES

**Section 5.1. Events of Default.** Any one or more of the following shall constitute an Event of Default under this Mortgage:

(a) A Default shall occur in the payment when due of any installment of principal of or interest on the Note, or in the payment when due of any other amount required to be paid by Mortgagor to Mortgagee under this Mortgage or under any of the other Loan Documents, or in the payment when due of any other indebtedness secured by this Mortgage; or

(b) A Default by Mortgagor shall occur under any provision of this Mortgage or of any of the other Loan Documents relating to the payment by Mortgagor of any amount payable to a party other than Mortgagee and such payment is not made prior to the expiration of any cure period granted by the party to which it is due; or

(c) Any Mortgagor or Guarantor shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of any Mortgagor or Guarantor or of all or any part of the Property, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its or his inability to pay its or his debts generally as they become due; or

(d) A court of competent jurisdiction shall enter an order of relief pursuant to, or an order, judgment or decree approving, a petition filed against any Mortgagor or Guarantor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 10 days, whether or not consecutive, from the first date of entry thereof; or any trustee, receiver or liquidator of any Mortgagor or Guarantor or of all or any part of the Property, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed and such appointment shall remain unvacated and unstayed for an aggregate of 10 days, whether or not consecutive; or

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(e) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Property, or any judgment involving monetary damages shall be entered against any Mortgagor which shall become a lien on the Property or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 10 days after its entry or levy; or

(f) If any representation or warranty of Mortgagor or Guarantor contained in this Mortgage, in any of the other Loan Documents, or in any statement, certificate or other document delivered in connection with the Loan, shall be untrue or incorrect in any material respect; or

(g) If any Event of Default by Mortgagor shall occur under any lease of the Property or if any such lease shall be entered into in violation of the provisions of Section 3.1 of this Mortgage; or

(h) All or any substantial part of the Property shall be taken by a governmental body or any other person whether by condemnation, eminent domain or otherwise; or

(i) Default shall occur in the performance, observance or compliance with any term, covenant, condition, agreement or provision contained in this Mortgage other than as described in paragraphs (a) through (h) above; or

(j) If any Event of Default shall occur under any of the other Loan Documents; or

(k) If any Event of Default shall occur under any other mortgage or trust deed on the Property; or

(l) Default shall occur in the payment of any moneys due and payable to Mortgagee by Mortgagor or Guarantor, other than in connection with the Loan, or Default shall occur in the performance or observance of any obligation or condition on the part of Mortgagor or Guarantor under any written contract, agreement or other instrument heretofore or hereafter entered into with Mortgagee other than in connection with the Loan.

**Section 5.2. Acceleration Upon Event of Default; Additional Remedies.** Upon or at any time after the occurrence of any Event of Default under this Mortgage, Mortgagee may declare the Note and all indebtedness secured by this Mortgage to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter Mortgagee may --

(a) Either in person or by agent, with or without bringing any action or proceeding, if applicable law permits, enter upon and take possession of the Property, or any part thereof, in its own name, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Property, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same to the payment of taxes, insurance premiums and other charges against the

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Property or in reduction of the indebtedness secured by this Mortgage; and the entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any Event of Default or notice of Event of Default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of Event of Default and, notwithstanding the continuance in possession of the Property or the collection, receipt and application of rents, issues or profits, Mortgagee shall be entitled to exercise every right provided for in this Mortgage or any of the other Loan Documents or by law upon occurrence of any Event of Default; or

(b) Commence an action to foreclose this Mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; or

(c) Sell the Property, or any part thereof, or cause the same to be sold, and convey the same to the purchaser thereof, pursuant to the statute in such case made and provided, and out of the proceeds of such sale retain all of the indebtedness secured by this Mortgage including, without limitation, principal, accrued interest, costs and charges of such sale, the attorneys fees provided by such statute, or in the event of a suit to foreclose by court action, a reasonable attorneys fee, rendering the surplus moneys, if any, to Mortgagor, provided, that in the event of public sale, such property may, at the option of Mortgagee, be sold in one parcel or in several parcels as Mortgagee, in its sole discretion, may elect; or

(d) Exercise any or all of the remedies available to a secured party under the Code and any notice of sale, disposition or other intended action by Mortgagee, sent to Mortgagor at the address specified in Section 6.14 hereof, at least five days prior to such action, shall constitute reasonable notice to Mortgagor; or

(e) Exercise any of the rights and remedies provided for in this Mortgage, in any of the other Loan Documents or by applicable law.

**Section 5.3. Foreclosure; Expense of Litigation.** When the indebtedness secured by this Mortgage, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof or enforce any other remedy of Mortgagee under this Mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, any of the other Loan Documents or the Property, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be so much additional indebtedness secured by this Mortgage, immediately due and payable, with interest thereon from the date due until

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paid at the Default Rate. In the event of any foreclosure sale of the Property, the same may be sold in one or more parcels. Mortgagee may be the purchaser at any foreclosure sale of the Property or any part thereof.

**Section 5.4. Application of Proceeds of Foreclosure Sale.** The proceeds of any foreclosure sale of the Property or of the exercise of any other remedy hereunder shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings or such other remedy, including all such items as are mentioned in Section 5.3 hereof; second, all other items which under the terms hereof constitute indebtedness secured by this Mortgage additional to that evidenced by the Note, with interest thereon as therein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any remainder to Mortgagor, its successors or assigns, as their rights may appear.

**Section 5.5. Appointment of Receiver.** Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Property or any portion thereof. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Property and Mortgagee or any holder of the Note may be appointed as such receiver. Such receiver shall have power (i) to collect the rents, issues and profits of the Property during the pendency of such foreclosure suit, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (ii) to extend or modify any then existing leases and to make new leases, which extension, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured by this Mortgage and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (iii) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of the indebtedness secured by this Mortgage, or found due or secured by any judgment foreclosing this Mortgage or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale.

**Section 5.6. Insurance After Foreclosure.** In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in repairing and restoring the Property, shall be used to pay the amount due in accordance with any judgment of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

**Section 5.7. Remedies Not Exclusive; No Waiver of Remedies.**

(a) Mortgagee shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Mortgage or under any of the other Loan Documents or other agreement or any laws now or



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hereafter in force, notwithstanding that some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Documents to Mortgagee or to which it may be otherwise entitled, may be exercised concurrently or independently, from time to time and as often as it may be deemed expedient by Mortgagee and Mortgagee may pursue inconsistent remedies. Failure by Mortgagee to exercise any right which it may exercise hereunder, or the acceptance by Mortgagee of partial payments, shall not be deemed a waiver by Mortgagee of any Default or Event of Default hereunder or of its right to exercise any such rights thereafter.

(b) In the event Mortgagee at any time holds additional security for any of the indebtedness secured by this Mortgage, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently with exercising remedies under this Mortgage or after a sale is made hereunder.

**Section 5.8. No Mortgagee in Possession.** Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession.

**Section 5.9. Waiver of Certain Rights.** Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but rather waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Mortgagor hereby waives any and all rights of redemption under any applicable law, including, without limitation, redemption from sale or from or under any order, judgment or decree of foreclosure, pursuant to rights herein granted on behalf of Mortgagor and all persons beneficially interested therein and each and every person acquiring any interest in or title to the Property subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of the laws of the State in which the Property are located.

**Section 5.10. Mortgagee's Use of Deposits.** With respect to any deposits made with or held by Mortgagee or any depository pursuant to any of the provisions of this Mortgage, when any Event of Default shall exist under this Mortgage, the Note or any of the other Loan Documents, Mortgagee may, at its option, without being required to do so, apply any moneys or securities which constitute such deposits on any of the obligations under this Mortgage, the Note or the other Loan Documents, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor. Such deposits are hereby pledged as additional security for the prompt payment of the Note and any other indebtedness hereunder and shall be held to be irrevocably applied by

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the depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor.

## **Section 5.11. Litigation Provisions.**

(a) MORTGAGOR CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN CHICAGO, ILLINOIS IN WHICH ANY LEGAL PROCEEDING MAY BE COMMENCED OR PENDING RELATING IN ANY MANNER TO THIS MORTGAGE, THE LOAN OR ANY OF THE OTHER LOAN DOCUMENTS.

(b) MORTGAGOR AGREES THAT PROCESS IN ANY LEGAL PROCEEDING RELATING TO THIS MORTGAGE, THE LOAN OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE SERVED ON MORTGAGOR AT ANY LOCATION.

(c) MORTGAGOR AGREES THAT ANY LEGAL PROCEEDING RELATING TO THIS MORTGAGE, THE LOAN OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT AGAINST MORTGAGOR IN ANY STATE OR FEDERAL COURT LOCATED IN CHICAGO, ILLINOIS. MORTGAGOR WAIVES ANY OBJECTION TO VENUE IN ANY SUCH COURT AND WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE FROM ANY SUCH COURT.

(d) MORTGAGOR AGREES THAT IT WILL NOT COMMENCE ANY LEGAL PROCEEDING AGAINST THE BENEFICIARY RELATING IN ANY MANNER TO THIS MORTGAGE, THE LOAN OR ANY OF THE OTHER LOAN DOCUMENTS IN ANY COURT OTHER THAN A STATE OR FEDERAL COURT LOCATED IN CHICAGO, ILLINOIS, OR IF A LEGAL PROCEEDING IS COMMENCED BY MORTGAGEE AGAINST MORTGAGOR IN A COURT IN ANOTHER LOCATION, BY WAY OF A COUNTERCLAIM IN SUCH LEGAL PROCEEDING.

(e) MORTGAGOR HEREBY WAIVES TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATING TO THIS MORTGAGE, THE LOAN OR ANY OF THE OTHER LOAN DOCUMENTS.

## ARTICLE V

### **MISCELLANEOUS**

**Section 6.1. Recitals.** The recitals hereto are hereby incorporated into and made a part of this Mortgage.

**Section 6.2. Time of Essence.** Time is of the essence of this Mortgage and of each and every provision hereof.

**Section 6.3. Usury.** Mortgagor hereby represents and covenants that the proceeds of the Note will be used for the purposes specified in subparagraph 1(c) contained in Section 205/4 of Chapter 815 of the Illinois Compiled Statutes, as amended, and that the indebtedness secured hereby constitutes a "business loan" within the meaning of that Section.

**Section 6.4. Lien for Service Charges and Expenses.** At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures, in addition to any loan

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proceeds disbursed from time to time, the payment of any and all origination fees, loan commissions, service charges, liquidated damages, expense and advances due to or incurred by Mortgagee in connection with the loan to be secured hereby, all in accordance with this Mortgage and the other Loan Documents.

**Section 6.5. Subrogation.** To the extent that proceeds of the indebtedness secured by this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Property, Mortgagee shall be subrogated to any and all rights and liens owned by any owner or holder of such outstanding liens, charges and prior encumbrances, and shall have the benefit of the priority thereof, irrespective of whether said liens, charges or encumbrances are released.

**Section 6.6. Fees, Costs and Expenses; Indemnification.** Mortgagor shall pay all costs, expenses and fees incurred by Mortgagee arising out of or incurred in connection with any of the transactions contemplated hereby and, without limiting the generality of the foregoing, shall pay all taxes, filing and recording expenses, the fees and expenses of counsel to Mortgagee in connection with the preparation of the Loan Documents and other matters related to the Loan, including, without limitation, the preparation of documents and other matters related to any modification of the Loan, the cost of appraisals and environmental site assessments, and reasonable attorneys fees and court costs incurred by Mortgagee or any other Mortgagee participating in the Loan in connection with the enforcement of this Mortgage, the other Loan Documents and other documents contemplated hereby or arising out of claims or actions brought or filed by or against Mortgagee arising out of the transactions contemplated by this Mortgage. If Mortgagor shall fail to pay any of the foregoing, Mortgagee may pay the same, and amounts so expended shall constitute an additional amount due under this Mortgage and secured hereby, but such payment by Mortgagee shall not cure any Default or Event of Default hereunder. Mortgagor hereby indemnifies and agrees to save Mortgagee and its directors, officers, employees and agents harmless from and against any and all costs, expenses, judgments, awards and liabilities incurred by them in connection with the transactions contemplated hereby, whether or not arising from a claim by a third party.

**Section 6.7. Recording; Fixture Filing.** Mortgagor shall cause this Mortgage and all other documents securing the indebtedness secured by this Mortgage at all times to be properly filed and/or recorded at Mortgagor's own expense and in such manner and in such places as may be required by law in order to fully preserve and protect the rights of Mortgagee. This Mortgage is intended to be effective, from the date of recording of this Mortgage in the Office of the Recorder of Deeds of the county in which the Property are located, as a financing statement filed as a fixture filing pursuant to Section 9-502(c) of the Code.

**Section 6.8. Further Assurances.** Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or advisable, in the judgment of Mortgagee, for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagee all property mortgaged hereby or property intended so to be, whether now owned by Mortgagor or hereafter acquired.

**Section 6.9. No Defenses.** No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

**Section 6.10. Invalidity of Certain Provisions.** If the lien of this Mortgage is invalid or unenforceable as to any part of the indebtedness secured by this Mortgage, or if such lien is invalid or unenforceable as to any part of the Property, the unsecured or partially secured

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portion of the indebtedness secured by this Mortgage shall be completely paid prior to the payment of the remaining and secured or partially secured portion thereof, and all payments made on the indebtedness secured by this Mortgage, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion thereof which is not secured or fully secured by the lien of this Mortgage.

**Section 6.11. Illegality of Terms.** Nothing herein or in the Note contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (i) to require Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (ii) to require Mortgagor to make any payment or do any act contrary to law. If any provision contained in this Mortgage shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such provision only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and Mortgagee shall be given a reasonable time to correct any such error.

**Section 6.12. Mortgagee's Right to Deal with Transferee.** In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of the Property, Mortgagee is hereby authorized and empowered to deal with such vendee or transferee with reference to the Property, or the debt secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from the covenants and/or undertakings hereunder, specifically including Section 2.13(d) hereof, and without Mortgagee waiving its rights to accelerate the Note as set forth in Section 2.13(d).

**Section 6.13. Releases.** Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, may release any part of the Property, or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Note, this Mortgage, the Guaranty, or any other guaranty given as additional security for the indebtedness secured hereby and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party obligated on said indebtedness to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person or entity personally obligated for the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to the indebtedness secured by this Mortgage.

**Section 6.14. Notices.** All notices and other communications provided for in this Mortgage ("**Notices**") shall be in writing. The "**Notice Addresses**" of the parties for purposes of this Mortgage are as follows:

Mortgagor:	Premium Builders, Ltd. 1416 Techny Road Northbrook, Illinois 60062 Attention: Lewis Korompilas
------------	---

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Mortgagee: The Budman Building, LLC  
 2023 West Pierce Street  
 Chicago, Illinois 60622  
 Attention: Leigh Ballen

or such other address as a party may designate by notice duly given in accordance with this Section to the other parties. A Notice to a party shall be effective when delivered to such party's Notice Address by any means, including, without limitation, personal delivery by the party giving the Notice, delivery by United States regular, certified or registered mail, or delivery by a commercial courier or delivery service. If the Notice Address of a party includes a facsimile number or electronic mail address, Notice given by facsimile or electronic mail shall be effective when delivered at such facsimile number or email address. If delivery of a Notice is refused, it shall be deemed to have been delivered at the time of such refusal of delivery. The party giving a Notice shall have the burden of establishing the fact and date of delivery or refusal of delivery of a Notice.

**Section 6.15. Binding Effect.** This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns, including, without limitation, each and every from time to time record owner of the Property or any other person having an interest therein, and shall inure to the benefit of Mortgagee and its successors and assigns. Wherever herein Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and each such holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated Mortgagee.

**Section 6.16. Covenants to Run with the Land.** All the covenants hereof shall run with the land.

**Section 6.17. Entire Agreement; No Reliance.** This Mortgage sets forth all of the covenants, promises, agreements, conditions and understandings of the parties relating to the subject matter of this Mortgage, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them relating to the subject matter of this Mortgage other than as are herein set forth. Mortgagor acknowledges that it is executing this Mortgage without relying on any statements, representations or warranties, either oral or written, that are not expressly set forth herein.

**Section 6.18. Governing Law; Severability; Modification.** This Mortgage shall be governed by the laws of the State of Illinois. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions hereof which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This Mortgage and each provision hereof may be modified, amended, changed, altered, waived, terminated or discharged only by a written instrument signed by the party sought to be bound by such modification, amendment, change, alteration, waiver, termination or discharge.

**Section 6.19. Meanings.** Wherever in this Mortgage the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

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**Section 6.20. Captions.** The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties and are not a part of this Mortgage.

**Section 6.21. Approval or Consent of Mortgagee.** Wherever in this Mortgage provision is made for the approval or consent of Mortgagee, or that any matter is to be to Mortgagee's satisfaction, or that any matter is to be as estimated or determined by Mortgagee, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction, estimate, determination or the like shall be made, given or determined by Mortgagee in its sole and absolute discretion.

**Section 6.22. Construction and Interpretation.** Mortgagor and Mortgagee, and their respective legal counsel, have participated in the drafting of this Mortgage, and accordingly the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Mortgage. Where the context so requires, words used in the singular shall include the plural and vice versa. In addition, without limiting the effect of specific references in any provision of this Mortgage, the term "Mortgagor" shall be deemed to refer to Mortgagor and each person of which Mortgagor is composed from time to time, as the sense of a particular provision may require.

**Section 6.23. Joint and Several.** The obligations of Mortgagor under the Mortgage shall be joint and several obligations of the parties comprising Mortgagor, and of each such parties' heirs, personal representatives, successors and assigns.


**Section 6.24. Condominium Rider.** The Condominium Rider attached hereto is hereby incorporated by reference.

[SIGNATURE PAGE(S) AND EXHIBIT(S),  
IF ANY, FOLLOW THIS PAGE.]

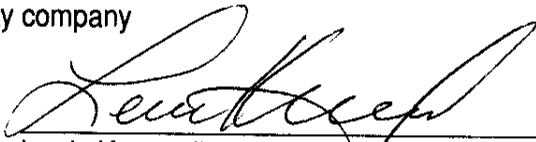
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**IN WITNESS WHEREOF**, Mortgagor has caused this instrument to be executed as of the date first above written.


6457 SOUTH KIMBARK L.L.C., an Illinois limited liability company

By:   
Debbie Korompilas, as trustee of the Debbie Korompilas Trust, its sole member

6510-12 SOUTH INGLESIDE, LLC, an Illinois limited liability company

By:   
Lewis Korompilas, its sole member

6600 SOUTH KENWOOD L.L.C., an Illinois limited liability company


By:   
Debbie Korompilas, as trustee of the Debbie Korompilas Trust, its sole member

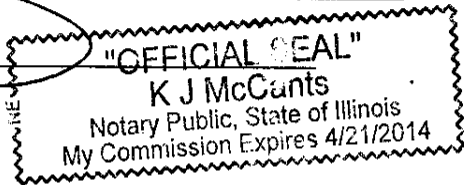
Property of Cook County Clerk's Office

# UNOFFICIAL COPY

STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK     )     SS


The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of September, 2011, by Debbie Korompilas, as trustee of the Debbie Korompilas Trust, the sole member of 6457 SOUTH KIMBARK L.L.C., an Illinois limited liability company, on behalf of the company.

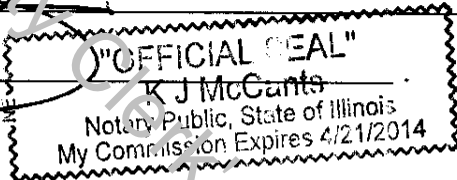
  
Printed Name: \_\_\_\_\_  
Notary Public



STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK     )     SS


The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of September, 2011, by Lewis Korompolis, the sole member of 6510-12 SOUTH INGLESIDE, LLC, an Illinois limited liability company, on behalf of the company.

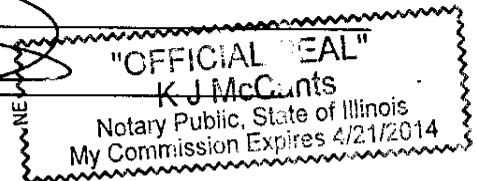
  
Printed Name: \_\_\_\_\_  
Notary Public



STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK     )     SS

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of September, 2011, by Debbie Korompilas, as trustee of the Debbie Korompilas Trust, the sole member of 6600 SOUTH KENWOOD L.L.C., an Illinois limited liability company, on behalf of the company.

  
Printed Name: \_\_\_\_\_  
Notary Public



[notary page to Korompilas Mortgage]



**UNOFFICIAL COPY****CHICAGO TITLE INSURANCE COMPANY**

**ORDER NUMBER:** 1409 ST5124235 BNC  
**STREET ADDRESS:** 6510-12 S. INGLESIDE AVENUE  
**CITY:** CHICAGO **COUNTY:** COOK  
**TAX NUMBER:** 20-23-223-045-1010

**LEGAL DESCRIPTION:**

**PARCEL 1:** UNIT NUMBERS 6608-1 AND 6608-3 IN THE 6600 SOUTH KENWOOD CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED TRACT OF LAND:

LOTS 1 AND 2 IN OGLESBY'S SUBDIVISION OF BLOCK 11 OF BLOCKS 10 AND 11 IN WATT AND BOWEN'S SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST OF ILLINOIS CENTRAL RAILROAD, IN COOK COUNTY, ILLINOIS AND THAT PART OF LOTS 23 AND 24, TAKEN AS ONE TRACT, DESCRIBED AS FOLLOWS:  
 COMMENCING AT A POINT ON THE NORTH LINE OF SAID TRACT, 72.50 FEET EAST OF THE NORTHWEST CORNER THEREOF; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID TRACT, 60.02 FEET, MORE OR LESS, TO A POINT WHICH IS 10.0 FEET SOUTH OF THE SOUTH LINE OF SAID LOT 24; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID TRACT, 8.0 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID TRACT, 15.0 FEET; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID TRACT, 12.50 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID TRACT, 25.02 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID TRACT; THENCE EAST ALONG SAID SOUTH LINE OF THE TRACT, 72.04 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH ALONG THE EAST LINE OF SAID TRACT, 100.04 FEET, MORE OR LESS, TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID TRACT, 92.54 FEET, MORE OR LESS, TO THE POINT OF BEGINNING; (EXCEPT THE NORTH 35 FEET THEREOF)  
 ALL IN BLOCK 11 IN OGLESBY'S SUBDIVISION OF BLOCKS 10 AND 11 IN WAIT AND BOWEN'S SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST OF ILLINOIS CENTRAL RAILROAD, IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0709315089, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:** THE EXCLUSIVE RIGHT TO THE USE OF PARKING SPACE(S) P-5 AND P-14, AS LIMITED COMMON ELEMENTS, AS DELINEATED ON A SURVEY ATTACHED TO THE DECLARATION AFORESAID RECORDED AS DOCUMENT NUMBER 0709315089.

**PARCEL 3:** UNIT NUMBERS 6457-3N, 6457-2S AND 6457-3S IN THE 6457 SOUTH KIMBARK CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED PARCEL OF REAL ESTATE:

LOTS 9 AND 10 (EXCEPT THE SOUTH 27 FEET THEREOF) IN BLOCK 1 IN THOMAS A. HALL'S ADDITION TO HYDE PARK IN THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH,

(CONTINUED)

**UNOFFICIAL COPY****CHICAGO TITLE INSURANCE COMPANY**

**ORDER NUMBER:** 1409 ST5124235 BNC  
**STREET ADDRESS:** 6510-12 S. INGLESIDE AVENUE  
**CITY:** CHICAGO **COUNTY:** COOK  
**TAX NUMBER:** 20-23-223-045-1010

**LEGAL DESCRIPTION:**

RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN AND THAT PART OF WEST 65TH STREET, NOW VACATED, LYING WEST OF AND ADJOINING LOT 10 (EXCEPT THE SOUTH 27 FEET THEREOF), AND EAST OF AND ADJOINING THE EAST LINE OF SHERIDAN AVENUE, EXTENDED FROM THE SOUTHWEST CORNER OF LOT 9 IN BLOCK 1 AFORESAID TO THE NORTHWEST CORNER OF LOT 12 IN BLOCK 1 AFORESAID, IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 1033631088, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

**PARCEL 4:** THE EXCLUSIVE RIGHT TO THE USE OF PARKING SPACE(S) P-4, P-5 AND P-8 , AS LIMITED COMMON ELEMENTS, AS DELINEATED ON THE SURVEY ATTACHED TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 1033631088.

**PARCEL 5:** UNITS 6510-1, 6512-1 AND 6512-3 IN THE 6510-12 SOUTH INGLESIDE CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

**PARCEL A:** THE SOUTH 1/2 OF LOT 3 IN BLOCK 6 IN WOODLAWN RIDGE SUBDIVISION, A SUBDIVISION OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; AND

**PARCEL B:** THE NORTH 1/2 OF LOT 3 IN BLOCK 6 IN WOODLAWN RIDGE SUBDIVISION, A SUBDIVISION OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 1027331018, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

**PARCEL 6:** THE EXCLUSIVE RIGHT TO THE USE OF PARKING SPACE(S) P-2, P-4 AND P-6 , AS LIMITED COMMON ELEMENTS, AS DELINEATED ON THE SURVEY AFORESAID RECORDED AS DOCUMENT NUMBER 1027331018.

**UNOFFICIAL COPY****CHICAGO TITLE INSURANCE COMPANY**

**ORDER NUMBER:** 1409 ST5124235 BNC  
**STREET ADDRESS:** 6510-12 S. INGLESIDE AVENUE  
**CITY:** CHICAGO **COUNTY:** COOK  
**TAX NUMBER:** 20-23-223-045-1010

**LEGAL DESCRIPTION:**

RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN AND THAT PART OF WEST 65TH STREET, NOW VACATED, LYING WEST OF AND ADJOINING LOT 10 (EXCEPT THE SOUTH 27 FEET THEREOF), AND EAST OF AND ADJOINING THE EAST LINE OF SHERIDAN AVENUE, EXTENDED FROM THE SOUTHWEST CORNER OF LOT 9 IN BLOCK 1 AFORESAID TO THE NORTHWEST CORNER OF LOT 12 IN BLOCK 1 AFORESAID, IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 1033631088, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

**PARCEL 4:** THE EXCLUSIVE RIGHT TO THE USE OF PARKING SPACE(S) P-4, P-5 AND P-8, AS LIMITED COMMON ELEMENTS, AS DELINEATED ON THE SURVEY ATTACHED TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 1033631088.

**PARCEL 5:** UNITS 6510-1, 6512-1 AND 6512-3 IN THE 6510-12 SOUTH INGLESIDE CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

**PARCEL A:** THE SOUTH 1/2 OF LOT 3 IN BLOCK 6 IN WOODLAWN RIDGE SUBDIVISION, A SUBDIVISION OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; AND

**PARCEL B:** THE NORTH 1/2 OF LOT 3 IN BLOCK 6 IN WOODLAWN RIDGE SUBDIVISION, A SUBDIVISION OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 1027331018, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

**PARCEL 6:** THE EXCLUSIVE RIGHT TO THE USE OF PARKING SPACE(S) P-2, P-4 AND P-6, AS LIMITED COMMON ELEMENTS, AS DELINEATED ON THE SURVEY AFORESAID RECORDED AS DOCUMENT NUMBER 1027331018.

PIN # 20-23-114-042-0000  
 20-23-212-012-0000  
 20-23-114-043-0000  
 20-23-223-045-1010  
 20-23-223-045-1012

**UNOFFICIAL COPY****CHICAGO TITLE INSURANCE COMPANY**

**ORDER NUMBER:** 1409 ST5124235 BNC  
**STREET ADDRESS:** 6510-12 S. INGLESIDE AVENUE  
**CITY:** CHICAGO **COUNTY:** COOK  
**TAX NUMBER:** 20-23-223-045-1010

**LEGAL DESCRIPTION:**

**PARCEL 1:** UNIT NUMBERS 6608-1 AND 6608-3 IN THE 6600 SOUTH KENWOOD CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED TRACT OF LAND:

LOTS 1 AND 2 IN OGLESBY'S SUBDIVISION OF BLOCK 11 OF BLOCKS 10 AND 11 IN WATT AND BOWEN'S SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST OF ILLINOIS CENTRAL RAILROAD, IN COOK COUNTY, ILLINOIS AND THAT PART OF LOTS 23 AND 24, TAKEN AS ONE TRACT, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTH LINE OF SAID TRACT, 72.50 FEET EAST OF THE NORTHWEST CORNER THEREOF; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID TRACT, 60.02 FEET, MORE OR LESS, TO A POINT WHICH IS 10.0 FEET SOUTH OF THE SOUTH LINE OF SAID LOT 24; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID TRACT, 8.0 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID TRACT, 15.0 FEET; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID TRACT, 12.50 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID TRACT, 25.02 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID TRACT; THENCE EAST ALONG SAID SOUTH LINE OF THE TRACT, 72.04 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH ALONG THE EAST LINE OF SAID TRACT, 100.04 FEET, MORE OR LESS, TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID TRACT, 92.54 FEET, MORE OR LESS, TO THE POINT OF BEGINNING; (EXCEPT THE NORTH 35 FEET THEREOF)

ALL IN BLOCK 11 IN OGLESBY'S SUBDIVISION OF BLOCKS 10 AND 11 IN WAIT AND BOWEN'S SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST OF ILLINOIS CENTRAL RAILROAD, IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0709315089, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:** THE EXCLUSIVE RIGHT TO THE USE OF PARKING SPACE(S) P-5 AND P-14, AS LIMITED COMMON ELEMENTS, AS DELINEATED ON A SURVEY ATTACHED TO THE DECLARATION AFORESAID RECORDED AS DOCUMENT NUMBER 0709315089.

**PARCEL 3:** UNIT NUMBERS 6457-3N, 6457-2S AND 6457-3S IN THE 6457 SOUTH KIMBARK CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED PARCEL OF REAL ESTATE:

LOTS 9 AND 10 (EXCEPT THE SOUTH 27 FEET THEREOF) IN BLOCK 1 IN THOMAS A. HALL'S ADDITION TO HYDE PARK IN THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH,

(CONTINUED)

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## CONDOMINIUM RIDER TO MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, AND FIXTURE FILING

This CONDOMINIUM RIDER is incorporated into and shall be deemed to amend and supplement a Mortgage, Assignment of Rents and Leases, Security Agreement, and Fixture Filing ("**Mortgage**") dated September 12, 2011 given by **6457 SOUTH KIMBARK L.L.C.**, an Illinois limited liability company, **6510-12 SOUTH INGLESIDE, LLC**, an Illinois limited liability company, and **6600 SOUTH KENWOOD L.L.C.**, an Illinois limited liability company ("**Mortgagor**"), to **THE BUDMAN BUILDING, LLC**, an Illinois limited liability company ("**Mortgagee**"), and covering the condominium units that are described in said Mortgage. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Mortgage.

Mortgagor hereby covenants and agrees to the following as additional conditions of the Mortgage:

1. Mortgagor shall comply with all of the terms, covenants and conditions of the Condominium Documents and any rules and regulations that may be adopted for each Condominium, as the same shall be in force and effect from time to time; and Mortgagor shall pay, or cause to be paid, all assessments for common charges and expenses made against the Condominium Units owned by Mortgagor pursuant to the Condominium Documents as the same shall become due and payable. Further, Mortgagor shall not, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld or delayed, amend, modify, supplement or terminate, or consent to the amendment, modification, supplementation or termination of any of the Condominium Documents. If Mortgagee fails to provide such consent within such five (5) Business Day period, Mortgagee will be deemed to have consented to the proposed amendment or modification.

2. (a) So long as the applicable Condominium Board maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the applicable Condominium which is satisfactory to Mortgagee and, without limiting the foregoing, which insurance policy provides insurance coverage in the amounts, for the periods, and against the risks that Mortgagee requires pursuant to the Mortgage, then Mortgagor's obligation under the Mortgage to maintain the coverage provided by the Condominium Board policy shall be deemed satisfied. Mortgagor acknowledges, however, that the foregoing shall not limit Mortgagor's obligation under the Mortgage to maintain any insurance coverage that is not provided by the Condominium Board policy, nor shall it limit Mortgagor's obligation to supplement the insurance coverage provided by the Condominium Board policy if such policy does not completely satisfy the requirements of the Mortgage with respect to the coverage provided thereby.

(b) Mortgagor shall give Mortgagee prompt notice of any lapse in required insurance coverage.

(c) In the event of a casualty loss to any Condominium or to any of the Condominium Units, Mortgagor further covenants and agrees that:

- (i) Mortgagor shall immediately notify Mortgagee of such loss;
- (ii) Mortgagee may elect to vote in place and stead of Mortgagor with respect to all matters of repair and restoration of the same, and with respect to the

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disposition of insurance, under the terms of and as provided in the Condominium Documents;

(iii) In order to effectuate the foregoing, Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact so to act with respect to said right to vote, which appointment as attorney-in-fact is hereby coupled with an interest;

(iv) Mortgagor will make all advances as required by the Condominium Board for repair and restoration due to inadequacy of insurance proceeds, provided that it has been voted to repair and restore the Condominium. Mortgagee may, but need not, make advances to Mortgagor for such repair and restoration and the same shall be secured by the Mortgage. If Mortgagee makes such advances, Mortgagor will execute, acknowledge, deliver and record at Mortgagor's expense, such document as Mortgagee may reasonably require evidencing such advances and securing repayment thereof to Mortgagee by Mortgagor; and

(v) In the event Mortgagor receives any funds including, but not limited to, insurance proceeds arising from damage to the Condominium or a Condominium Unit, whether from casualty or otherwise, Mortgagor shall assign any such funds to Mortgagee if it is voted not to repair and restore the Condominium for application to the indebtedness secured hereby, and the balance thereof, if any, shall be returned to Mortgagor.

(c) In the event of a distribution of any hazard insurance proceeds in lieu of restoration or repair following a loss to a Condominium, whether to the Condominium Units or to common areas and facilities of the Condominium, any proceeds payable to Mortgagor are hereby assigned and shall be paid to Mortgagee as a prepayment of the Loan.

(d) Mortgagor shall take such actions as may be reasonable to ensure that the each applicable Condominium Board maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Mortgagee.

3. The proceeds of any award or claim for damages, direct or consequential, payable to Mortgagor in connection with any condemnation or other taking of all or any portion of the Property, whether of the Condominium Units or of the common areas and facilities of the Condominium, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee. Such proceeds shall be applied by Mortgagee to the repayment of the Loan.

4. Mortgagor agrees to deliver promptly to Mortgagee a true and full copy of each and every notice (excluding routine notices of regular meetings of the condominium association and billing for common charges) received from the Condominium Board, including without limitation, any notice of default received by Mortgagor with respect to any obligation of Mortgagor under the provisions of the Condominium Documents or applicable law.

5. Mortgagor shall provide notice to Mortgagee of all matters requiring the vote or consent of the unit owners of the Condominium (excluding regular elections of members of the Condominium Board). With respect to any matters concerning (a) election of officers, directors or other governing members of the Condominium Board, (b) approval of any budget or amended or supplementary budget, or (c) the selection of a manager or execution of a management contract, Mortgagee may while an Event of Default exists, elect to vote in place and stead of Mortgagor with respect to all such matters. In order to effectuate the foregoing,

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Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact so to act with respect to said right to vote, which appointment as attorney-in-fact is hereby coupled with an interest.

6. Mortgagor shall not vote for or consent to any modification of, amendment to, or relaxation in the enforcement of any provision of the Condominium Documents without the prior written consent of Mortgagee not to be reasonably withheld or delayed.

7. Mortgagor shall not, except after notice to Mortgagee and with Mortgagee's prior written consent not to be reasonably withheld or delayed, either partition or subdivide the Property or consent to:

(a) the abandonment or termination of the Condominium, except for any 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;

(b) any amendment to any provision of the Condominium Documents if the provision is for the express benefit of Mortgagor;

(c) termination of professional management and assumption of self-management of the Condominium Board; or

(d) any action which would have the effect of rendering the insurance coverage maintained by the Condominium Board unacceptable to Mortgagee.

8. If Mortgagor does not pay, when due, common expenses and assessments assessed against the Condominium Units pursuant to the Condominium Documents, then, Mortgagee shall have the right, but not the obligation, to pay such amounts. Any amounts so disbursed by Mortgagee under this paragraph shall become additional indebtedness secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Default Rate and shall be payable, with interest, upon notice from Mortgagee to Mortgagor requesting payment.