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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1135013025 **Fee:** \$72.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 12/16/2011 09:35 AM Pg: 1 of 19

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 14-29-314-050-1004

Address:

Street: 2555 North Southport

Street line 2: Unit 4

City: Chicago

State: IL

ZIP Code: 60614

Lender: Rose W. Wigoda as Trustee

Borrower: Jesse S. Marzouk and Jennifer R. Marzouk

Loan / Mortgage Amount: \$142,000.00

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

Certificate number: 48AC71BA-4E03-4553-B68D-B7C643EC93B5

Execution date: 12/09/2011

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SECOND MORTGAGE

THIS SECOND MORTGAGE (this "Mortgage") is made as of December 9, 2011, by Jesse S. Marzouk and Jennifer R. Marzouk, husband and wife, having an address at 142 Millbrook Lane, Wilmette, Illinois 60091 (collectively, on a joint and several basis, "Borrower"), to Rose W. Wigoda, as Trustee of the Rose W. Wigoda Trust dated July 2, 1991 and Rose W. Wigoda, as Trustee of the Paul T. Wigoda Trust dated July 2, 1991, having an address at 400 East Ohio, Unit 401, Chicago, Illinois 60611 (collectively "Lender").

Borrower has executed and delivered to Lender a (i) Mortgage Note (the "Note") of even date herewith payable to the order of Lender in the principal sum of One Hundred Forty-Two Thousand and No/100 Dollars (\$142,000.00), bearing interest and payable as set forth in the Note, and due and payable on the date which is ten (10) years after the date of the Note, which is sometimes referred to herein as the "Mortgage Amount").

In order to secure (i) the payment of the principal indebtedness under the Note and interest and premiums on the principal indebtedness under the Note (and all replacements, renewals and extensions thereof, in whole or in part) according to its tenor, and (ii) the payment of all other sums which may be at any time due under this Mortgage (collectively sometimes referred to herein as "Indebtedness"); and to secure the performance and observance of all the provisions contained in this Mortgage and the Note, and to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower DOES HEREBY MORTGAGE AND CONVEY unto Lender, its successors and assigns forever, the following described property, rights and interests (which are referred to herein as the "Premises"), all of which property, rights and interests are hereby pledged primarily and on a parity with the Land (as hereinafter defined) and not secondarily:

THE LAND located in the State of Illinois (the "Land") and legally described on Exhibit A attached hereto.

TOGETHER WITH all improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures and personal property of every nature whatsoever now or hereafter owned by Borrower and located on or used or intended to be used in connection with the Land or the improvements, or in connection with any construction thereon, and owned by Borrower, and all of Borrower's rights or payments now or hereafter made on such personal property or fixtures by Borrower or on its behalf (the "Improvements");

TOGETHER WITH all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way

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now or hereafter belonging, relating or appertaining to the Land, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, in and to the same;

TOGETHER WITH all income from the Premises to be applied against the Indebtedness, provided, however, that Borrower may, so long as no Default as hereinafter defined has occurred hereunder, collect income and other benefits as it becomes due, but not more than one (1) month in advance thereof;

TOGETHER WITH all proceeds of the foregoing, including without limitation all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof.

TO HAVE AND TO HOLD the Premises, unto the Lender, its successors and assigns, forever, for the purposes herein set forth together with all right to possession of the Premises after the occurrence of any Default; the Borrower hereby RELEASING AND WAIVING all rights under and by virtue of the homestead exemption laws of the State of Illinois.

BORROWER COVENANTS that it is lawfully seized of the Land, and that it has lawful authority to mortgage the same, and that it will warrant and defend the Land and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

PROVIDED, NEVERTHELESS, that if Borrower shall pay in full when due the Indebtedness and shall timely perform and observe all of the provisions herein and in the Note provided to be performed and observed by the Borrower, then this Mortgage and the interest of Lender in the Premises shall cease and become void, but shall otherwise remain in full force.

BORROWER FURTHER AGREES AS FOLLOWS:

1. *Payment of Indebtedness and Performance of Covenants.* Borrower shall (a) pay the Indebtedness when due and (b) punctually perform and observe all of the requirements of the Note and this Mortgage.

2. *Maintenance, Repair, Compliance with Law, Use, etc.* Borrower shall (a) promptly repair or restore any portion of the Improvements which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for that purpose; (b) keep the Premises in good condition and free from waste; (c) pay all operating costs of the Premises; (d) complete, within a reasonable time, any building or other Improvements at any time in the process of erection upon the Premises; (e) comply with all requirements of law relating to the Premises and the use thereof; (f) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements; (g) comply with any restrictions of record with respect to the Premises; and comply with any conditions necessary to preserve and extend all rights that are applicable to the Premises; and (h) cause the Premises to be managed in a competent manner. Without the prior written consent of Lender, Borrower shall not cause, suffer or permit any (i) material alterations of the Premises except as required by law or except as permitted or required to be made by the terms of any Leases approved by Lender; (ii) change in the intended use of the Premises; (iii) change in the identity of the person or firm responsible for managing the Premises; (iv) zoning reclassification with respect to the Premises; (v) unlawful use of, or nuisance to exist upon, the Premises; or (vi) granting of any easements, licenses, covenants, conditions or declarations of use against the Premises, other than use restrictions contained or provided for in Leases approved by Lender.

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3. *Liens, Prohibition.* Subject to the provisions of Paragraph 4 hereof, Borrower shall not create or suffer or permit any encumbrance to attach to or be filed against the Premises, excepting only (i) the lien of real estate taxes and assessments not due and (ii) any liens and encumbrances of Lender.

4. *Taxes.*

4.1. *Payment.* Borrower shall pay when due all taxes, assessments, and charges of every kind levied or assessed against the Premises or any interest therein or any obligation or instrument secured hereby, and all installments thereof (all herein generally called "Taxes"), whether or not assessed against Borrower, and Borrower shall furnish to Lender receipts therefor on or before the date the same are due; and shall discharge any claim or lien relating to Taxes upon the Premises.

4.2. *Contest.* Borrower may, in good faith and with reasonable diligence, contest the validity or amount of any such Taxes, provided:

4.2.1. Such contest shall prevent the collection of the Taxes so contested and the sale or forfeiture of the Premises or any part thereof or interest therein to satisfy the same;

4.2.2. Borrower has notified Lender in writing of the intention of Borrower to contest the same before any Tax has been increased by any interest, penalties, or costs; and

4.2.3. Borrower has deposited or will upon Lender's demand deposit with Lender, at such place as Lender may from time to time in writing designate, a sum of money or other security acceptable to Lender that, when added to the monies or other security, if any, deposited with Lender pursuant to Paragraph 7 hereof, is sufficient, in Lender's judgment, to pay in full such contested Tax, including interest and penalties, and shall increase such deposit to cover additional interest and penalties whenever Lender deems such an increase advisable.

If Borrower fails to prosecute such contest with reasonable diligence or fails to maintain sufficient funds on deposit as hereinabove provided, Lender may, at its option, apply the monies and liquidate any securities deposited with Lender, in payment of, or on account of, such Taxes, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such Taxes, together with all penalties and interest thereon, Borrower shall forthwith, upon demand, either deposit with Lender a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Lender has applied funds on deposit on account of such Taxes, restore such deposit to an amount satisfactory to Lender. Provided that Borrower is not then in default hereunder, Lender shall, upon Borrower's written request, after final disposition of such contest and upon Borrower's delivery to Lender of an official bill for such Taxes, apply the money so deposited in full payment of such Taxes or that part thereof then unpaid, together with penalties and interest thereon.

5. *Insurance Coverage.* Borrower will insure the Premises against such perils and hazards, and in such amounts and with such limits, as Mortgagee may from time to time require, and in any event will continuously maintain the following described policies of insurance (the "Insurance Policies"):

5.1. Casualty insurance against loss and damage by all risks of physical loss or damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called extended coverage endorsement in amounts not less than the full insurable replacement value of all Improvements, fixtures and equipment from time to time on the Premises and bearing a replacement

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cost agreed amount endorsement; provided, such insurance may be provided by the condominium association of which the Premises is a part;

5.2. Comprehensive public liability against death, bodily injury and property damage with such limits as Lender may require; provided, such insurance may be provided by the condominium association of which the Premises is a part;

5.3. The types and amounts of coverage as are customarily maintained by owners or operators of like properties.

6. *Insurance Policies.* All Insurance Policies shall be in form, companies and amounts reasonably satisfactory to Lender. All Insurance Policies shall (i) include, when available, non-contributing mortgagee endorsements in favor of and with loss payable to Lender, (ii) include standard waiver of subrogation endorsements, (iii) provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Lender and (iv) provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Lender. Borrower will deliver all Insurance Policies premium prepaid, to Lender and will deliver renewal or replacement policies at least thirty (30) days prior to the date of expiration of any policy.

7. *Deposits for Taxes and Insurance Premiums.* In order to assure the payment of Taxes and insurance policy premiums ("Premiums") when due:

7.1. Borrower has deposited or will upon Lender's demand deposit on the first business day of each month, an amount equal to one-twelfth (1/12) of the Taxes and Premiums thereof to become due upon the Premises between one (1) and thirteen (13) months after the date of such deposit; provided that in the case of the first such deposit, Borrower shall deposit in addition an amount which, when added to the aggregate amount of monthly deposits to be made hereunder with respect to Taxes and Premiums to become due within thirteen (13) months after such first deposit, will provide (without interest) a sufficient fund to pay such Taxes and Premiums, one (1) month prior to the date when they are due. The amounts of such deposits (herein generally called "Tax and Insurance Deposits") shall be based upon Lender's estimate of the amount of Taxes and Premiums. Borrower shall promptly upon the demand of Lender make additional Tax and Insurance Deposits as Lender may from time to time require due to (i) failure of Lender to require, or failure of Borrower to make, Tax and Insurance Deposits in previous months, (ii) underestimation of the amounts of Taxes and/or Premiums, (iii) the particular due dates and amounts of Taxes and/or Premiums, or (iv) application of the Tax and Insurance Deposits pursuant to Paragraph 7.3 hereof. Additionally, upon the execution hereof, Borrower shall deposit with Lender, as a Tax and Insurance Deposit, the amount of all Taxes and Premiums to become due and payable prior to the first monthly Tax and Insurance Deposit or within one (1) month thereafter. Lender shall hold all Tax and Insurance Deposits without any allowance of interest thereon. Notwithstanding any provision hereof to the contrary, Lender shall not require Borrower to make Tax and Insurance Deposits unless one or more of the following events has occurred: (i) a Default has occurred hereunder; (ii) Borrower has failed to provide for the payment of Taxes and Premiums in a manner satisfactory to Lender; or (iii) Borrower has failed to maintain the Insurance Policies in a manner satisfactory to Lender.

7.2. Lender will, out of the Tax and Insurance Deposits, upon the presentation to Lender by Borrower of the bills therefor, pay the Taxes and Premiums or will, upon the presentation of receipted bills therefor, reimburse Borrower for such payments made by Borrower. If the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the Taxes and Premiums when the same shall become due, then Borrower shall pay to Lender on demand the amount necessary to make up the deficiency.

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7.3. Upon a Default under this Mortgage, Lender may, at its option, without being required to do so, apply any Tax and Insurance Deposits on hand to the Indebtedness, in such order and manner as Lender may elect. When the Indebtedness has been fully paid, any remaining Tax and Insurance Deposits shall be paid to Borrower. All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness, and shall be held by Lender irrevocably to be applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of Borrower.

7.4. Notwithstanding anything herein contained to the contrary, Lender shall not be liable for any failure to apply the Tax and Insurance Deposits unless Borrower, while no Default exists hereunder, shall have (i) requested in writing that Lender apply such Deposits to the payment of the Taxes or Premiums and (ii) presented Lender with bills for such Taxes or Premiums.

7.5. The provisions of this Mortgage are for the benefit of Borrower and Lender alone. No provision of this Mortgage shall be construed as creating in any other party any rights in the Tax and Insurance Deposits or any rights to have the Tax and Insurance Deposits applied to payment of Taxes and Premiums. Lender shall have no obligation to any third party to collect Tax and Insurance Deposits.

8. *Proceeds of Insurance.* Borrower will give Lender prompt notice of any loss or damage to the Premises, and:

8.1. In case of loss covered by insurance policies, Lender (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of Borrower, or (ii) to allow Borrower to settle or adjust such claims; provided that Borrower may itself adjust losses aggregating not in excess of Five Thousand and No/100 Dollars (\$5,000.00) if such adjustment is carried out in a competent and timely manner. The expenses incurred by Lender in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness and Borrower shall reimburse Lender for such expense upon demand.

8.2. In the event of any insured damage to the Premises (herein called an "Insured Casualty"), and if, in the reasonable judgment of Lender, the Premises can be restored to an economic unit not less valuable than the same was prior to the Insured Casualty, then, if Borrower shall not be in default or Default hereunder, the proceeds of insurance shall be applied to reimburse Borrower for the cost of restoring or repairing the Premises, as provided for in Paragraph 9 hereof, and Borrower shall diligently restore or repair the Premises; provided that Borrower shall pay all costs of such restoring or repairing in excess of the net proceeds of insurance made available pursuant to the terms hereof.

8.3. Except as provided in Paragraph 8.2, Lender may apply the proceeds of insurance consequent upon any Insured Casualty upon the Indebtedness in such order as Lender may elect.

8.4. Whether or not proceeds of insurance are made available to Borrower for the restoring or repairing of the Premises, Borrower shall restore or repair the same to be of at least equal value and of substantially the same character as prior to such damage in accordance with plans and specifications to be approved in advance by Lender.

9. *Disbursement of Insurance Proceeds.* Insurance proceeds held by Lender for restoration or repairing of the Premises shall be disbursed from time to time upon Borrower furnishing Lender with (i) evidence satisfactory to it of the estimated cost of the restoration or repair, (ii) funds sufficient in addition to the proceeds of insurance, to fully pay for the restoration or repair, and (iii)

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such architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, plats of survey and such other evidences of cost, payment and performance as Lender may require and approve. No payment made prior to the final completion of the restoration or repair shall exceed ninety percent (90%) of the value of the work performed from time to time, as such value shall be determined by Lender in its exclusive judgment; funds other than insurance proceeds shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of Lender, together with funds deposited or irrevocably committed, to the satisfaction of Lender, by or on behalf of Borrower to pay the cost of such repair or restoration shall be at least sufficient in the reasonable judgment of Lender to pay the entire unpaid cost of the restoration or repair free and clear of all liens or claims for lien. Any surplus of insurance proceeds held by Lender after payment of such costs of restoration or repair shall be paid to Borrower provided Borrower is not in default hereunder. No interest shall be allowed to Borrower on account of any proceeds of insurance or other funds held by Lender.

10. *Condemnation and Eminent Domain.* All awards (the "Awards") made to the owner of the Premises, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Premises, are hereby assigned by Borrower to Lender. Lender is hereby authorized to give appropriate acquittances thereof. Borrower shall immediately notify Lender of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting the Premises and shall deliver to Lender copies of any papers served in connection with any such proceedings. Borrower shall make and deliver to Lender, at any time upon request, free of any encumbrance, all further assignments and other instruments deemed necessary by Lender for the purpose of assigning all Awards to Lender. If any portion of or interest in the Premises is taken by condemnation or eminent domain, either temporarily or permanently, and the remaining portion of the Premises is not, in the judgment of Lender, a complete economic unit having equivalent value to the Premises as it existed prior to the taking, then, at the option of Lender, the entire Indebtedness shall immediately become due. After deducting from the Award for such taking all of its expenses incurred in the collection and administration of the Award, including attorney's fees, Lender shall be entitled to apply the net proceeds toward repayment of such portion of the Indebtedness as it deems appropriate without affecting the lien of this Mortgage. In the event of any partial taking of the Premises or any interest in the Premises, which, in the judgment of Lender leaves the Premises as a complete economic unit having equivalent value to the Premises as it existed prior to the taking, and provided no Default has occurred and is then continuing, the Award shall be applied to reimburse Borrower for the cost of restoration and rebuilding the Premises in accordance with plans, specifications and procedures approved by Lender, and such Award shall be disbursed in the same manner as is hereinabove provided above for the application of insurance proceeds, provided that any surplus after payment of such costs shall be applied on account of the Indebtedness. If the Award is not applied for reimbursement of such restoration costs, the Award shall be applied against the Indebtedness, in such order or manner as Lender shall elect.

11. *Restrictions on Transfer.* Borrower shall not, without the prior written consent of Lender, effect, suffer or permit any "Transfer" (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of the Premises or any part thereof or rights or interests therein; provided, however, that the foregoing provisions of this Section 11.1 shall not apply (i) to liens securing the Indebtedness, or (ii) to the lien of current taxes and assessments not in default.

12. *Defaults.* If one or more of the following events (herein called "Defaults") shall occur:

12.1. If Borrower shall, after the expiration of any applicable grace periods, fail to make payments of amounts owed under the Note or this Mortgage, when due;

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12.2. If any default shall, after the expiration of any applicable grace periods, exist under the Note;

12.3. If any default shall, after the expiration of any applicable grace periods, exist under any other document or instrument regulating, evidencing, securing or guarantying any of the Indebtedness;

12.4. A Transfer without the prior written consent of Lender;

12.5. If default shall continue for fifteen (15) days after notice thereof by Lender to Borrower in the punctual performance or observance of any other agreement or condition herein contained;

12.6. If (and for the purpose of this subparagraph 12.6 only, the term Borrower shall mean not only Borrower, but also any beneficiary of a trustee Borrower, any general partner in a partnership Borrower or in a partnership which is a beneficiary of a trustee Borrower, any owner of more than ten percent (10%) of the stock in a corporate Borrower or a corporation which is the beneficiary of a trustee Borrower and each person who, as guarantor, co-maker or otherwise, shall be or become liable for any part of the Indebtedness or any of the agreements contained herein):

12.6.1. Borrower shall file a voluntary petition in bankruptcy or for relief under the Federal Bankruptcy Act or any similar state or federal law,

12.6.2. Borrower shall file a pleading in any proceeding admitting insolvency;

12.6.3. Within sixty (60) days after the filing against Borrower of any involuntary proceeding under the Federal Bankruptcy Act or similar state or federal law, such proceedings shall not have been vacated;

12.6.4. A substantial part of Borrower's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within sixty (60) days;

12.6.5. Borrower shall make an assignment for the benefit of creditors or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises; or

12.6.6. Any order appointing a receiver, trustee or liquidator of Borrower or all or a major part of Borrower's property or the Premises is not vacated within ninety (90) days following the entry thereof, then Lender may, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Lender hereunder, to declare, without further notice, all Indebtedness to be immediately due with interest thereon at the Default Rate, whether or not such Default be thereafter remedied by Borrower, and Lender may immediately proceed to foreclose this Mortgage and to exercise any right provided by this Mortgage, the Note, or otherwise.

13. *Foreclosure.* When the Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15-1101, *et seq.* (the "Act") and to exercise any other remedies of Lender provided in the Note, this Mortgage, or which Lender may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorney's fees, appraiser's fees, outlays for documentary and expert

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evidence, stenographer's charges, publication costs, 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 assurance with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises, and any other expenses and expenditures which may be paid or incurred by or on behalf of Lender and permitted by the Act to be included in such decree. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Mortgage, the Note, or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

14. *Right of Possession.* When the Indebtedness shall become due, whether by acceleration or otherwise, or if Lender has a right to institute foreclosure proceedings, Borrower shall, forthwith upon demand of Lender, surrender to Lender, and Lender shall be entitled to be placed in possession of the Premises as provided in the Act and Lender, in its discretion and pursuant to court order, may reasonably, by its agent or attorneys, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records and accounts of Borrower or the then owner of the Premises relating thereto, and may exclude Borrower, such owner, and any agents and servants thereof wholly therefrom and may, on behalf of Borrower or such owner, or in its own name as Lender and under the powers herein granted:

14.1. Hold, manage, and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises;

14.2. Cancel or terminate any Lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Borrower to cancel the same;

14.3. Extend or modify any then existing Leases and make new Leases of all or any part of the Premises, which extensions, 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 loan evidenced by the Note and the issuance of a deed to a purchaser 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 Borrower, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser at any foreclosure sale, notwithstanding any redemption from sale, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

14.4. Make all necessary or proper repairs, decoration renewals, replacements, alterations, additions, betterments, and improvements in connection with the Premises as may seem judicious to Lender, to insure and reinsure the Property and all risks incidental to Lender's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom; and

14.5. The net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of Taxes, Premiums and other charges applicable to the Premises, or in reduction of the Indebtedness Hereby Secured in such order and manner as Lender shall select.

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Without limiting the generality of the foregoing, Lender shall have all power, authority and duties as provided in the Act. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Premises.

15. *Receiver.* Upon the filing of a complaint to foreclose this Mortgage or at any time thereafter, the court in which such complaint is filed may appoint upon petition of Lender, and at Lender's sole option, a receiver of the Premises pursuant to the Act. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Borrower at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and Lender hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Act, including the power to make leases to be binding upon all parties, including the mortgagor, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of foreclosure, all as provided in the Act. In addition, such receiver shall also have the power to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and beyond the date 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 provisions to be contained therein, shall be binding upon Borrower and all the persons whose interest in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser. In addition, such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and such receiver shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in payment in whole or in part of: (a) the Indebtedness or the indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

16. *Foreclosure Sale.* Except to the extent otherwise required by the Act, the proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, all items which under the terms hereof constitute Indebtedness additional to the principal and interest evidenced by the Note in such order as Lender shall elect with interest thereon as herein provided; and second, all principal and interest remaining unpaid on the Note in such order as Lender shall elect; and lastly any surplus to Borrower and its successors and assigns, as their rights may appear.

17. *Insurance During Foreclosure.* In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance shall be paid as the court may direct. The foreclosure decree may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors. The foreclosure decree may further provide that in the case of one or more redemptions

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under said decree, each successive redeemer may cause the preceding loss clause attached to each casualty Insurance Policy to be cancelled and a new loss payable clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Lender may, without the consent of Borrower, assign any Insurance Policies to the purchaser at the sale, or take such other steps to protect the interest of such purchaser.

18. *Waiver of Right of Redemption and Other Rights.* To the full extent permitted by law, Borrower agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction, or after such sale claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Borrower hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Borrower hereby expressly waives any and all rights of redemption under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Borrower and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Borrower and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Borrower agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Borrower hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Borrower acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

19. *Lender's Performance of Borrower's Obligations.* In case of Default, either before or after acceleration of the Indebtedness or the foreclosure of the lien hereof and during the period of redemption, if any, Lender may, but shall not be required to, make any payment or perform any act herein required of Borrower (whether or not Borrower is personally liable therefor) in any form and manner deemed expedient to Lender. Lender may, but shall not be required to, complete construction, furnishing and equipping of the Improvements and rent, operate and manage the Premises and the Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and useable for their intended purposes. All monies paid, and all expenses incurred in connection therewith, including attorneys' fees, shall be so much additional Indebtedness, whether or not the Indebtedness, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due and payable on demand, and with interest thereon at the Default Rate specified in the Note (the "Default Rate"). Inaction of Lender shall not be a waiver of any right accruing to it on account of any Default nor shall the provisions of this Paragraph or any exercise by Lender of its rights hereunder prevent any default from constituting a Default. Lender, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Premises or the rental, operation

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or management of the Premises or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as Lender may deem appropriate. Nothing contained herein shall be construed to require Lender to advance or expend monies for any purpose.

20. *Rights Cumulative.* Each right herein conferred upon Lender is cumulative and in addition to every other right provided by law or in equity, and Lender may exercise each such right in any manner deemed expedient to Lender. Lender's exercise or failure to exercise any right shall not be deemed a waiver of that right or any other right or a waiver of any default. Except as otherwise specifically required herein, Lender is not required to give notice of its exercise of any of its right under this Mortgage.

21. *Successors and Assigns.*

21.1. *Holder of the Note.* This Mortgage and each provision hereof shall be binding upon Borrower and its successors and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of Lender and its successors and assigns. Wherever herein Lender is referred to, such reference shall be deemed to include the holder from time to time of the Note; and each such holder of the Note shall have all of the rights afforded hereby and may enforce the provisions hereof, as fully as if Lender had designated such holder of the Note herein by name.

21.2. *Covenants Run with Land; Successor Owners.* All of the covenants of this Mortgage shall run with the Land and be binding on any successor owners of the Land. If the ownership of Premises or any portion thereof becomes vested in a person other than Borrower, Lender may, without notice to Borrower, deal with such person with reference to this Mortgage and the Indebtedness in the same manner as with Borrower without in any way releasing Borrower from its obligations hereunder. Borrower will give immediate written notice to Lender of any conveyance, transfer or change of ownership of the Premises, but nothing in this Paragraph shall vary the provisions of Paragraph 12 hereof.

22. *Effect of Extensions and Amendments.* If the payment of the Indebtedness be extended or varied, or if any part of the security or guaranties therefor be released, all persons at any time liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Lender, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Premises or any part thereof or any interest therein, shall take the said lien subject to the rights of Lender to amend, modify, extend or release the Note, this Mortgage or any other document or instrument evidencing, securing or guarantying the Indebtedness, in each case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

23. *Environmental Matters.* Borrower represents that it is currently in compliance with, and covenants and agrees that, it will manage and operate the Premises and will cause each tenant to occupy its demised portion of the Premises in compliance with, all federal, state and local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and water pollution, and the use, generation, storage, handling or disposal of hazardous or toxic substances or other materials (including, without limitation, raw materials, products, supplies or wastes). Borrower further covenants and agrees that it shall not install or permit to be installed in the Premises asbestos or any substance containing asbestos and deemed hazardous by or in violation of federal, state or local laws, rules, regulations or orders respecting such material. Borrower shall remove from the Premises and dispose of any such hazardous or toxic substances or other materials in a manner

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consistent with and in compliance with applicable laws, rules, regulations and ordinances and shall take any and all other action to remedy, rectify, rehabilitate and correct any violation of any applicable law, rule, regulation or ordinance concerning toxic or hazardous substances or any violation of any agreement entered into between Borrower, Lender and/or any third party with respect to hazardous or toxic materials. Borrower shall send to Lender within five (5) days of receipt thereof, any citation, notice of violation or other notice of potential liability from any governmental or quasi-governmental authority empowered to regulate or oversee any of the foregoing activities. Borrower agrees to indemnify, defend with counsel reasonably acceptable to Lender (at Borrower's sole cost), and hold Lender harmless against any claim, response or other costs, damages, liability or demand (including, without limitation, reasonable attorneys' fees and costs incurred by Lender) arising out of any claimed violation by Borrower of any of the foregoing laws, regulations or ordinances or breach of any of the foregoing covenants or agreements. The foregoing indemnity shall survive repayment of the Indebtedness.

24. *Subrogation.* If any part of the Indebtedness is used directly or indirectly to satisfy, in whole or in part, any prior encumbrance upon the Premises or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

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

26. *Governing Law.* The place of negotiation, execution, and delivery of this Mortgage and the location of the Property being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State.

27. *Time of the Essence.* Time is of the essence of the Note, this Mortgage, and any other document or instrument evidencing or securing the Indebtedness.

28. *Captions and Pronouns.* The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as limiting in any way the scope or intent of the provisions hereof. Whenever 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.

29. *Notices.* Any notice or other communication which any party hereto may desire or may be required to give to any other party hereto shall be in writing, and shall be deemed given when (i) personally delivered, (ii) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth above, or (iii) on the second business day after being deposited in United States registered or certified mail, postage prepaid, addressed to a party at its address set forth above, or to such other address as the party to receive such notice may have designated to the other party by notice in accordance herewith. Except as otherwise specifically required herein, notice of the exercise of any right, power or option granted to Lender by this Mortgage is not required to be given.

30. *Lender's Costs and Expenses.* Borrower shall immediately pay to Lender upon demand, all costs and expenses incurred by Lender in connection with this Mortgage, all matters related thereto and/or the administration thereof, as well as other loan documents and matters reasonably required by Lender during the term of this Mortgage. For all purposes of this Mortgage, Lender's

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costs and expenses shall include, without limitation, all legal fees and expenses, consultant fees, recording and filing fees, title examination and lien search fees, escrow fees, and the cost to Lender of any title insurance premiums, surveys, tax service contracts, mortgage release and notary fees.

31. *Future Advances.* At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Indebtedness the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Lender in connection with the Indebtedness, all in accordance with the Note, the Guaranty and this Mortgage; provided, however, that in no event shall the total amount of the Indebtedness, including loan proceeds disbursed plus any additional charges, exceed two hundred percent (200%) of the face amount of the Mortgage Amount. All such advances are intended by the parties hereto to be a lien on the premises from the time this Mortgage is recorded, as provided in the Act.

32. *Senior Mortgages.* Borrower has executed and delivered to other lenders described on Exhibit B attached hereto (i) those certain notes in the original principal amounts of described on Exhibit B (the "Senior Notes"); and (ii) those certain first mortgages executed by Borrower in favor of such lenders, with the recording information described in Exhibit B (the "Senior Mortgages"). Lender acknowledges that this Mortgage is junior and subordinate to the lien of the Senior Mortgages.

32.1. *Borrower's Covenants with Respect to Senior Mortgages.*

(a) Borrower covenants and agrees to comply with all of the terms and provisions of the Senior Notes and Senior Mortgages (collectively, "Senior Instruments"). If Borrower shall default in the performance of any term or provision contained in this Mortgage or in the Note or the Guaranty, the owner or holder of the Note or the Guaranty may, but shall not be obligated to, pay any principal or interest due under the Senior Notes or any of the Senior Instruments. To the extent the owner and holder of the Note or the Guaranty pays any installment of principal or interest or any other sums due under the Senior Notes or the Senior Instruments, the said owner and holder shall become entitled to a lien on the Premises covered by this Mortgage and by the Senior Instruments, equal in rank and priority to the Senior Instruments, and in addition to the extent necessary to make effective such rank and priority (a) the Borrower shall become subrogated to receive and enjoy all of the rights, liens, powers and privileges granted to the Lender under the Senior Instruments and (b) the Senior Instruments shall remain in existence for the benefit of and to further secure the debt and other sums secured, or hereafter to become secured hereunder.

(b) Borrower shall give Lender a copy of all notices given Borrower with respect to any of the Senior Instruments within five (5) days after receiving such notice.

(c) Borrower shall not, without the prior written consent of Lender enter into any modification, extension, amendment, agreement or arrangement in connection with any of the Senior Note, Senior Mortgage or other Senior Loan Documents.

32.2. *Default under the Senior Instruments; Lender's Right to Cure.* In the event Borrower is declared by the holder of any of the Senior Instruments to be in default with respect to any requirement of any of the Senior Instruments, Borrower agrees that said default shall constitute a Default hereunder. Upon the occurrence of such Default, in addition to any other rights or remedies available to Lender, Lender may, but need not, make any payment or perform any act required to cure or attempt to cure any said default under any of the Senior Instruments in any manner and form deemed expedient by Lender. Lender shall not be responsible for determining the validity or accuracy of any claim of default made by the Lender under the Senior Instruments and the payment of any sum by Lender in curing or attempting to cure any alleged default or omission shall be

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presumed conclusively to have been reasonable, justified and authorized. Borrower hereby grants to Lender an irrevocable power of attorney, which power of attorney is coupled with an interest, for the term of this Mortgage to cure any default or forfeiture which may occur under any of the Senior Mortgages. Borrower further agrees to execute a formal and recordable power of attorney granting such right at any time during the existence of this Mortgage if requested by Lender. All monies paid by Lender in curing any default under the Senior Instruments, including attorneys' fees and costs in connection therewith, shall bear interest from the date or dates of such payment at the Default Rate, shall be paid by Borrower to Lender on demand, and shall be deemed a part of the Indebtedness and recoverable as such in all respects. Any inaction on the part of the Lender shall not be construed as a waiver of any right accruing to Lender on account of any Default hereunder.

32.3. *Lender's Right to Prepay the Senior Notes.* In the event of a Default hereunder, Lender may (but shall not be obligated to do so), prepay the entire balance due under a Senior Note, and any prepayment fees or penalty incurred by Lender in connection with such prepayment shall bear interest from the date of such payment at the Default Rate, shall be paid by Borrower to Lender upon demand, and shall be deemed a part of the Indebtedness and recoverable in all respects.

(signature page follows)

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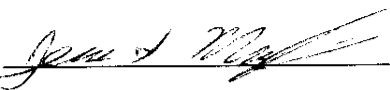
IN WITNESS WHEREOF, Borrower has executed and delivered this Mortgage as of the date first stated above.

Borrower:


Jesse S. Marzouk

Borrower:

Jennifer R. Marzouk

By: 

Name: Jesse S. Marzouk

By: 

Name: Jennifer R. Marzouk

Property of Cook County Clerk's Office

THIS DOCUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:

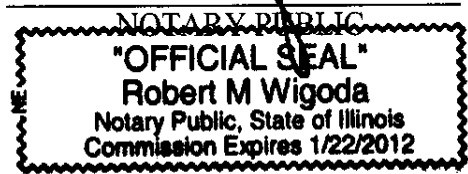
Robert M. Wigoda, Esq.
Wigoda & Wigoda, Ltd.
444 North Michigan Avenue
Suite 2600
Chicago, Illinois 60611

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STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I HEREBY CERTIFY that on this 9th day of December 2011, before me a Notary Public for the state and county aforesaid, personally appeared Jesse S. Marzouk known to me or satisfactorily proven to be the same person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed, such instrument for the purposes therein set forth, and that the same is his act and deed.

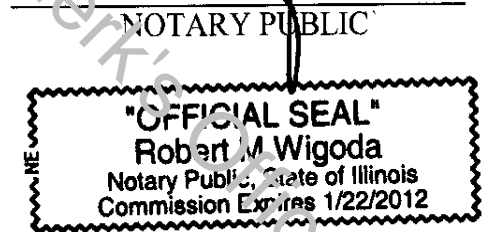
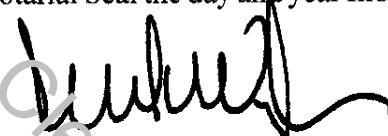
IN WITNESS WHEREOF, I have set my hand and Notarial Seal the day and year first above written.



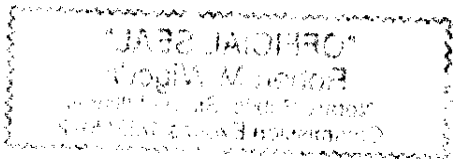
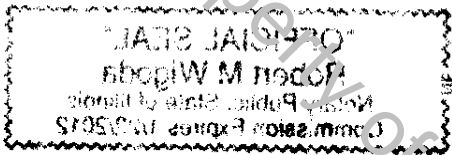
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I HEREBY CERTIFY that on this 9th day of December 2011, before me a Notary Public for the state and county aforesaid, personally appeared Jennifer R. Marzouk known to me or satisfactorily proven to be the same person whose name is subscribed to the foregoing instrument, who acknowledged that she has executed, such instrument for the purposes therein set forth, and that the same is her act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal the day and year first above written.



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EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Parcel 1

Address: 2555 North Southport, Unit 4, Chicago, Illinois 60614

P.I.N.: 14-29-314-050-1004

UNIT 4 IN THE 2555 N. SOUTHPORT CONDOMINIUM AS DELINEATED ON PLAT OF SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

LOT 2 IN SICKEL'S SUBDIVISION OF THE WEST 132.4 FEET OF THE NORTH 298.13 FEET OF LOT 13 IN COUNTY CLERK DIVISION OF BLOCK 43 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 29, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

WHICH SURVEY IS ATTACHED TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 00957625 TOGETHER WITH AN UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

Parcel 2

Address: 142 Millbrook Lane, Wilmette, Illinois 60091

P.I.N.: 05-31-423-009-0000

LOT 48 IN MILLER BUILDERS WILSHIRE ESTATES, UNIT NO.2, A SUBDIVISION OF PART OF THE SOUTHEAST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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EXHIBIT B

SENIOR MORTGAGES

Parcel 1

Address: 2555 North Southport, Unit 4, Chicago, Illinois 60614

Other lender: Wells Fargo Home Mortgage

Original principal amount of Senior Note: \$285,000.00

Senior Mortgage: Mortgage recorded on MAY 20, 2010 as document number 1014035196

Parcel 2

Address: 142 Millbrook Lane, Wilmette, Illinois 60091

Other lender: Wells Fargo Home Mortgage

Original principal amount of Senior Note: \$417,000.00

Senior Mortgage: Mortgage recorded on ~~September 9, 2009~~ as document number ~~0925233040~~
DECEMBER 7, 2010 1034104117