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## Illinois Anti-Predatory Lending Database Program



Doc#: 1226322006 Fee: \$90.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 09/19/2012 08:22 AM Pg: 1 of 27

### Certificate of Exemption

FIRST AMERICAN TITLE  
ORDER # METCAP-3

Report Mortgage Fraud  
800-532-8785

The property identified as: **PIN:** 13-29-217-039-0000

**Address:**

**Street:** 2904 North Marmora Avenue

**Street line 2:**

**City:** Chicago

**State:** IL

**ZIP Code:** 60634

**Lender:** Metropolitan Capital Bank & Trust

**Borrower:** Boulder Real Estate Group, LLC

**Loan / Mortgage Amount:** \$2,000,000.00

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:** 69E24BBA-2BAD-40FA-B96A-0069CB2BDD34

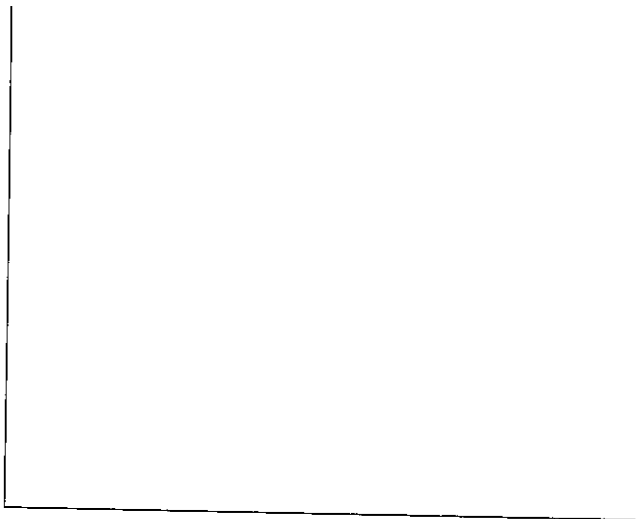
**Execution date:** 08/14/2012

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This document was prepared by  
and after recording return to:

Metropolitan Capital Bank & Trust  
9 East Ontario Street  
Chicago, IL 60611  
Attn: Loan Operations



FIRST AMERICAN TITLE  
ORDER # 12121CAP-3

ABOVE SPACE FOR RECORDER'S USE ONLY

## MORTGAGE AND SECURITY AGREEMENT - FIXTURE FILING

THIS MORTGAGE AND SECURITY AGREEMENT – FIXTURE FILING made this 16 day of August, 2012 by BOULDER REAL ESTATE GROUP LLC, an Illinois limited liability company (hereinafter referred to as the "Mortgagor"), whose address is 1050 North State Street, Chicago, Illinois 60610, in favor of METROPOLITAN CAPITAL BANK & TRUST, formerly known as Metropolitan Capital Bank, an Illinois banking corporation (hereinafter, together with its successors and assigns, including each and every from time to time holder of the Note hereinafter referred to, called the "Mortgagee"), whose address is 9 East Ontario, Chicago, Illinois 60611.

WHEREAS, Mortgagor is indebted to Mortgagee in an amount not to exceed the principal sum of TWO MILLION and 00/100 DOLLARS (\$2,000,000.00), pursuant to that certain Loan Agreement dated March 19, 2012, modified on April 20, 2012 ("Loan Agreement") by and between Mortgagor, as "Borrower," and Mortgagee and evidenced by a Mortgage Note "A" (the "Note A") dated March 19, 2012 herewith in the amount One Million and 00/100 Dollars (\$1,000,000.00) made by Mortgagor and payable to the order of and delivered to Mortgagee and by Mortgage Note "B" (the "Note B") dated March 19, 2012 herewith in the amount One Million and 00/100 Dollars (\$1,000,000.00) made by Mortgagor and payable to the order of and delivered to Mortgagee (collectively the "Note"), and certain other indebtedness created under the Loan Agreement and any and all renewals, extensions or refinancings thereof. Mortgagor promises to pay the said principal sum and interest in the manner and at the rates as provided in the Note and Loan Agreement. Note A and Note B evidence revolving loan facilities with interest accruing based on a variable rate of interest as set forth in Note A and Note B, respectively.

The unpaid principal amount and all accrued and unpaid interest due under the Note if not sooner paid shall be due and payable on March 18, 2014. All such payments on account of the indebtedness evidenced by the Note shall be first applied to interest on the unpaid principal balance and the remainder to principal and all of said principal and interest being made payable at such place as the holder of the Note may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee, at the address indicated above or at such other address as Mortgagee may from time to time designate in writing. For the purposes

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of this Mortgage, "Loan Documents" shall have the same meaning as ascribed to it in the Loan Agreement.

NOW, THEREFORE, Mortgagor, to secure the payment of the Note with interest thereon, and any extensions and renewals thereof, in whole or in part, and the payment of all other sums with interest thereon advanced in accordance herewith or in the Note provided or in the Loan Agreement (hereinafter referred to as the "Indebtedness") to protect the security of this Mortgage, and the performance of the covenants and agreements of Mortgagor herein contained, does hereby mortgage, grant and convey to Mortgagee the real estate located in the City of Chicago, County of Cook, State of Illinois as described on Exhibit A attached hereto and made a part hereof (hereinafter collectively referred to as the "Real Estate"), which Real Estate is presently improved and which, with the property herein described, is referred to herein as the "Premises" together with:

- (a) All of the Real Estate;
- (b) All buildings and other improvements now or at any time hereafter constructed or erected upon or located at the Real Estate, and all materials located on the Real Estate intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, together with and including, but not limited to, all fixtures, equipment, machinery, appliances and other articles and attachments now or hereafter forming part of, attached to or incorporated in any such buildings or improvements, excluding therefrom any tenant owned property (all hereinafter referred to as the "Improvements");
- (c) All privileges, reservations, allowances, hereditaments, tenements and appurtenances now or hereafter belonging or pertaining to the Real Estate or Improvements;
- (d) All leasehold estates, right, title and interest of Mortgagor in any and all leases, subleases, arrangements or agreements relating to the use and occupancy of the Real Estate and Improvements or any portion thereof, now or hereafter existing or entered into (all hereinafter referred to as "Leases"), together with all cash or security deposits, advance rentals, and other deposits or payments of similar nature given in connection with any Leases;
- (e) All right, title and interest of Mortgagor in and to all options to purchase or lease the Real Estate or Improvements, or any portion thereof or interest therein, or any other rights, interests or greater estates in the rights and properties comprising the Premises, now owned or hereafter acquired by Mortgagor;
- (f) Any interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Real Estate and Improvements or other rights, interests or properties comprising the Premises now owned or hereafter acquired;
- (g) All right, title and interest of Mortgagor now owned or hereafter acquired in and to (i) any land or vaults lying within the right-of-way of any street or alley, open or proposed, adjoining the Real Estate; (ii) any and all alleys; sidewalks, strips and gores of land adjacent to or used in connection with the Real Estate and Improvements; (iii) any and all rights and interests of every name or nature forming part of or used in connection with the Real Estate and/or the operation and maintenance of the Improvements; (iv) all easements, rights-of-way and

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rights used in connection with the Real Estate or Improvements or as a means of access thereto, and (v) all water rights and shares of stock evidencing the same;

(h) All right, title and interest of Mortgagor in and to all tangible personal property (hereinafter referred to as "Personal Property"), owned by Mortgagor and now or at any time hereafter located in, on or at the Real Estate or Improvements or used or useful in connection therewith, but provided that there shall be excluded from and not included within the term "Personal Property" as used herein and hereby mortgaged and conveyed, any accounts, other intangibles, trade inventory, equipment, trade fixtures, furniture, furnishings or other property of tenants, managing agent of the Premises or third party contractors;

(i) All the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to (i) the proceeds of insurance in effect with respect to the Premises, and (ii) any and all awards, claims for damages and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (all hereinafter generally referred to as "Awards").

All of the foregoing is collectively referred to herein as the "Collateral"

**MORTGAGOR COVENANTS** that Mortgagor is lawfully seized of the real estate hereby conveyed and has the right to mortgage, grant and convey the Premises, that the Premises are unencumbered and that Mortgagor will warrant and defend generally the title to the Premises against all claims and demands and further that the Premises hereby mortgaged and conveyed or intended so to be, together with the rents, issues and profits thereof, and hereby conveyed unto the Mortgagee forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all rights to retain possession of the Premises after any default in the payment of all or any part of the Indebtedness, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined;

**FOR THE PURPOSE OF SECURING** the payment of the Indebtedness with interest thereon evidenced by the Note and any and all modifications, extensions and renewals thereof, and all other Indebtedness provided that the aggregate of the Indebtedness shall at no time exceed \$4,000,000.

**PROVIDED, NEVERTHELESS**, and these presents are upon the express condition that if all of the Indebtedness shall be duly and punctually paid and all the terms, provisions, conditions and agreements herein contained on the part of the Mortgagor to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of the Mortgagee in the Premises shall cease and become void and of no effect.

**AND IT IS FURTHER AGREED THAT:**

1. **Payment of Indebtedness.** The Mortgagor will duly and promptly pay each and every installment of the principal of, if any and interest and premium, if any, on the Note, and

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all other Indebtedness, as the same become due, and will duly perform and observe all of the covenants, agreements and provisions herein or in the Note provided on the part of the Mortgagor to be performed and observed.

2. **Maintenance, Repair, Restoration, Prior Liens, Parking.** In addition, Mortgagor will or cause its tenant to:

- (a) Promptly repair, restore or rebuild any Improvements now or hereafter on the Premises which may become damaged or be destroyed;
- (b) Keep the Premises in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien not expressly subordinated to the lien hereof;
- (c) Pay when due any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to the Mortgagee;
- (d) Complete within a reasonable time any Improvements now or at any time in the process of erection upon the Premises;
- (e) Comply in all material respects with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof;
- (f) Make no material alterations in the Premises, except as required by law or municipal ordinance, or except which are presently under construction and known to Mortgagee or which are consented to, in writing, by Mortgagee;
- (g) Suffer or permit no change in the general nature of the occupancy of the Premises or consent to any change in any existing private restrictive covenants, zoning ordinances or other public or private restriction, without the Mortgagee's prior written consent;
- (h) Pay when due all operating costs of the Premises;
- (i) Initiate or acquiesce in no zoning reclassification with respect to the Premises, without the Mortgagee's prior written consent which consent shall not be unreasonably withheld;
- (j) Provide, improve, grade, surface and thereafter maintain, clean, repair, police and adequately light parking areas within the Premises which areas shall be of sufficient size to accommodate standard-sized automobiles as may be required by law, ordinance or regulation, together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; loss or damage by fire, lightning, wind storm, explosion, riot and civil commotion, vandalism and malicious mischief, theft and such other risks as are usually included under what is now known as broad form extended coverage. Mortgagor shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of a change of ownership or of

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occupancy of the Premises (without implying or creating any waiver of the right of approval thereof by Mortgagee), immediate notice thereof by mail shall be delivered to all insurers.

(k) Liability. Mortgagor shall carry and maintain in full force at all times comprehensive public liability insurance as may be required from time to time by Mortgagee in forms, amounts, and with companies satisfactory to Mortgagee, and Mortgagor will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. The amounts of coverage shall not be less than \$1,000,000 combined single limit and that the policy or policies shall name Mortgagee as an additional insured party thereunder.

(l) Flood Insurance. Mortgagor shall carry and maintain in force at all times flood insurance in accordance with the provisions of the Flood Disaster Protection Act of 1973, as amended, if the area in which the Premises are situated is designated as an "A" zone as defined in said act, in an amount satisfactory to Mortgagee, and Mortgagor shall comply with such other requirements of said act as are appropriate.

(m) Other Insurance. Mortgagor shall procure and maintain insurance against such other perils and risks (exclusive of the perils and risks insured against under subparagraphs 3(a), (b) and (c) above) as Mortgagee shall reasonably request from time to time. All such insurance shall be maintained under policies containing such provisions and coverages and being in such amounts as are approved by Mortgagee, which policies shall name Mortgagee as insured thereunder.

(n) Policies. Unless Mortgagee otherwise agrees, all policies of insurance required hereunder to be maintained by the Mortgagor, together with evidence that the premium therefor covering a period of not less than one (1) year has been prepaid, shall be deposited with Mortgagee. All policies of insurance required hereunder shall provide for, among other things, Mortgagee being named as loss payee thereunder payment of losses notwithstanding any acts or omissions of Mortgagor and giving written notice to Mortgagee of their expiration or cancellation at least thirty (30) days prior to such event occurring. Not less than thirty (30) days prior to the expiration of any such policy, Mortgagor shall provide to Mortgagee evidence of an appropriate renewal or replacement policy and evidence of the premium payment therefor, as aforesaid. All policies of insurance required hereunder shall contain Mortgagee's loss payable endorsements in favor of Mortgagee.

(o) Notwithstanding the foregoing, in the event that a parcel including in the Premises consist of condominium a unit or units governed by a condominium association ("Association") and if pursuant to the declaration of the Association, the Association provides the insurance coverages required under subsections (k) and (m) above, Mortgagor agrees to cause the Association to issue a certificate of insurance in compliance with this Mortgage. Provided that the Association maintains such insurance covering the Premises and evidence thereof is provided, then the insurance requirements of subsections (k) and (m) shall be satisfied.

3. **Deposits for Taxes and Insurance Premiums.** As long as no Event of Default (as hereinafter defined) has occurred, Mortgagee shall not require any tax and insurance premium deposits. Upon the occurrence and during the continuance, however, of an Event of Default, Mortgagee may, at its option require that in order to insure that the payment of Taxes and insurance policy premium ("Premiums") will be made when due:

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(a) Mortgagor shall, deposit with Mortgagee 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 with respect to 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, Mortgagor 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; provided, however that Mortgagee shall not accumulate or retain in any such fund more than the amount of one (1) month's deposit on the day after any payment of taxes or premium is made. The amounts of such deposits (herein generally called "Tax and Insurance Deposits") shall be based upon Mortgagee's good faith estimate of the amount of Taxes and Premiums. Mortgagor shall promptly upon the demand of Mortgagee make additional Tax and Insurance Deposits as Mortgagee may from time to time require due to (i) failure of Mortgagee to require, or failure of Mortgagor to make, Tax and Insurance Deposits in previous months, (ii) underestimation of the amounts of Taxes and/or Premiums, due dates and, or (iii) application of the Tax and Insurance Deposits pursuant to Section 5.1(c) hereof. Mortgagee shall hold all Tax and Insurance Deposits in an interest bearing money market account.

(b) Mortgagee will, out of the Tax and Insurance Deposits, upon the presentation to Mortgagee by Mortgagor of the bills therefor, pay the Taxes and Premiums or will, upon the presentation of receipted bills therefor, reimburse Mortgagor for such payments made by Mortgagor. 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 Mortgagor shall pay to Mortgagee on demand the amount necessary to make up the deficiency.

(c) Mortgagee may, at its option, apply any Tax and Insurance Deposits on hand to the Indebtedness, in such order and manner as Mortgagee may elect. When the Indebtedness has been fully paid, any remaining Tax and Insurance Deposits shall be paid to Mortgagor. All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness, and shall be held by Mortgagee irrevocably to be applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of Mortgagor.

(d) Notwithstanding anything herein contained to the contrary, Mortgagee shall not be liable for any failure to apply the Tax and Insurance Deposits unless Mortgagor shall have (i) requested Mortgagee in writing to make application of such Deposits to the payment of the Taxes or Premiums and (ii) presented Mortgagee with bills for such Taxes or Premiums.

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

4. **Proceeds of Insurance.** The Mortgagor will give the Mortgagee prompt notice of any damage to or destruction of the Premises; and

(a) In case of loss covered by policies of insurance, the Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case

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may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies without consent of the Mortgagor provided however so long as no Event of Default shall have occurred and be continuing, the settlement and adjustment of any such claims shall be made with the mutual consent of the Mortgagor, or (ii) allow the Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; provided that the Mortgagor may itself adjust and collect losses aggregating not in excess of Fifty Thousand Dollars (\$50,000.00); provided further that in any case the Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness, and shall be reimbursed to the Mortgagee upon demand;

(b) In the event of any insured damage to or destruction of the Premises or any part thereof (hereinafter referred to as an "Insured Casualty") and if, in the reasonable judgment of the Mortgagee, the Premises can be restored prior to Loan maturity, to an architectural and economic unit of the same character and not less valuable than the same was prior to the Insured Casualty, and adequately securing the outstanding balance of the Indebtedness, and the insurers do not deny liability to the insureds, then, if no Event of Default shall have occurred and be then continuing, and if there was no event of default, whether continuing or not, at the time of occurrence of damage or destruction which resulted in said loss, the proceeds of insurance may be applied to reimburse the Mortgagor for the cost of restoring, repairing, replacing or rebuilding (hereinafter referred to as "Restoring") the Premises or any part thereof subject to Insured Casualty, as provided below; so long as this Mortgage is not in default, such insurance proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall be made available by Mortgagee for the Restoring of the Premises; provided that Mortgagor shall furnish evidence sufficient to Mortgagee that there are sufficient funds available for the rebuilding or restoration of the Premises.

(c) If, in the reasonable judgment of Mortgagee, the Premises cannot be restored to an architectural and economic unit as provided for in Subsection (b) above, then at any time from and after the Insured Casualty, upon sixty (60) days' written notice to Mortgagor, Mortgagee may declare the entire balance of the Indebtedness to be, and at the expiration of such sixty (60) day period the Indebtedness shall be and become, immediately due and payable.

(d) Except as provided for in Subsection (b) of this Section, Mortgagee shall apply the proceeds of insurance (including amounts not required for Restoring effected in accordance with Subsection (b) above) consequent upon any Insured Casualty upon the Indebtedness, in such order or manner as the Mortgagee may elect; provided that no premium or penalty shall be payable in connection with any prepayment of the Indebtedness made out of insurance proceeds as aforesaid;

(e) In the event that proceeds of insurance, if any, shall be made available to the Mortgagor for the Restoring of the Premises, Mortgagor hereby covenants to Restore the same to be of at least equal value and of substantially the same character as prior to such damage or destruction; all to be effected in accordance with plans and specifications to "be first submitted to and approved by the Mortgagee;

(f) Any portion of insurance proceeds remaining after payment in full of the Indebtedness shall be paid to Mortgagor;



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(g) Interest, at the Mortgagee's published money market rate shall be payable by Mortgagee on account of any insurance proceeds at any time held by Mortgagee, provided Mortgagor delivers written instructions relative to such investment to Mortgagee and such investment instructions do not unreasonably interfere with the payment of expenses or costs incurred in the Restoring of the Premises;

(h) Nothing contained in this Mortgage shall create any responsibility or liability upon the Mortgagee to (i) collect any proceeds of any policies of insurance, or (ii) Restore any portion of the Premises damaged or destroyed through any cause.

**5. Condemnation.** The Mortgagor will give Mortgagee prompt notice of any proceedings, instituted or threatened, seeking condemnation or taking by eminent domain or any like process (hereinafter referred to as a "Taking"), of all or any part of the Premises, including damages to grade, and:

(a) Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any Award consequent upon any Taking, except as otherwise provided herein;

(b) If, in the reasonable judgment of the Mortgagee, the Premises can be restored to an architectural and economic unit of the same character and not less valuable than the Premises prior to such Taking and adequately securing the outstanding balance of the Indebtedness, then if no Event of Default, as hereinafter defined, shall have occurred and be then continuing, the Award shall be applied to reimburse Mortgagor for the cost of Restoring the portion of the Premises remaining after such Taking, as provided for in Section 6 hereof;

(c) If, in the reasonable judgment of Mortgagee, the Premises cannot be restored to an architectural and economic unit as provided for in Subsection (b) above, then at any time from and after the Taking, upon sixty (60) days' written notice to Mortgagor, Mortgagee may declare the entire balance of the Indebtedness to be, and at the expiration of such sixty (60) day period the Indebtedness shall be and become, immediately due and payable;

(d) Except as provided for in Subsection (b) of this Section, Mortgagee shall apply any Award (including the amount not required for Restoration effected in accordance with Subsection (b) above) upon the Indebtedness in such order or manner as the Mortgagee may elect; provided that no premium or penalty shall be payable in connection with any prepayment of the Indebtedness made out of any Award as aforesaid;

(e) In the event that any Award shall be made available to the Mortgagor for Restoring the portion of the Premises remaining after a Taking, Mortgagor hereby covenants to Restore the remaining portion of the Premises to be of at least equal value and of substantially the same character as prior to such Taking, all to be effected in accordance with plans and specifications to be first submitted to and approved by the Mortgagee;

(f) Any portion of any Award remaining after payment in full of the Indebtedness shall be paid to Mortgagor;

(g) Interest at the Mortgagee's published passbook rate shall be payable by Mortgagee on account of any Award at any time held by Mortgagee, provided Mortgagor delivers written instructions relative to such investment to Mortgagee and such investment

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instructions do not unreasonably interfere with the payment of expenses or costs incurred in the Restoring of the Premises.

6. **Disbursement of Insurance Proceeds and Condemnation Awards.** In the event the Mortgagor is entitled to reimbursement out of insurance proceeds or any Award held by Mortgagee, such proceeds shall be disbursed from time to time upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion of the Restoring, with funds (or assurances reasonably satisfactory to the Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance or Award, to complete the proposed Restoring, and with such architect's certificates, waivers of lien, contractor's sworn statements and such other evidence of costs and payments as the Mortgagee may reasonably require and approve; and the Mortgagee may, in any event, require that all plans and specifications for such Restoring be submitted to and approved by the Mortgagee prior to commencement of work; and in each case:

(a) No payment made prior to the final completion of the Restoring shall exceed ninety percent (90%) of the value of the work performed from time to time;

(b) Funds other than proceeds of insurance or the Award shall be disbursed prior to disbursement of such proceeds;

(c) At all times the undischursed balance of such proceeds remaining in the hands of the Mortgagee, together with funds deposited for the purpose or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagor for the purpose, shall be at least sufficient in the reasonable judgment of the Mortgagee to pay for the cost of completion of the Restoring, free and clear of all liens or claims for lien; and

(d) If the cost of rebuilding, repairing or restoring the buildings and improvements can reasonably exceed the sum of \$50,000.00, then Mortgagee shall approve plans and specifications of such work before such work shall be commenced. Any surplus which remains out of said insurance proceeds after payment of such costs of building or restoring shall be paid to Mortgagor.

7. **Stamp Tax.** If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, the Mortgagor shall pay such tax in the manner required by such law.

8. **Prepayment.** At such time as the Mortgagor is not in default under the terms of the Note, or under the terms of this Mortgage, the Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the terms and conditions, if any, set forth in the Note, but not otherwise.

9. **Effect of Extensions of Time, Junior Liens and Others.** Mortgagor covenants and agrees that:

(a) If the payment of the Indebtedness, or any part thereof, be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, if any, and the lien and all provisions hereof shall continue in full

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force and effect; the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding any such extension, variation or release.

(b) No junior mortgage or other lien shall be placed upon the Premises or any interest therein.

(c) Nothing in this Section contained shall be construed as waiving any provision of Section 17 hereof which provides, among other things, that it shall constitute an Event of Default if the Premises be sold, conveyed or encumbered.

(d) Any extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release in any manner the liability of the original Mortgagor and Mortgagor's successor in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagor's successors in interest.

10. **Effect of Changes in Tax Laws.** In the event of the enactment after the date hereof by any legislative authority having jurisdiction of the Premises of any law deducting from the value of land for the purposes of taxation, any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the method of collecting taxes, so as to affect this Mortgage or the Indebtedness, or the holder hereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided that if in the opinion of counsel for the Mortgagee the payment by Mortgagor of any such taxes or assessments shall be unlawful, then the Mortgagee may, by notice of to the Mortgagor, declare the entire principal balance of the Indebtedness and all accrued interest to be due and payable on a date specified in such notice, not less than ninety (90) days after the date of such notice, and the Indebtedness and all accrued interest shall then be due and payable without premium or penalty on the date so specified in such notice.

11. **Mortgagee's Performance of Mortgagor's Obligations.** In case of an Event of Default as defined herein, the Mortgagee either before or after acceleration of the Indebtedness or the foreclosure of the lien hereof, and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein which is required of the Mortgagor (whether or not the Mortgagor is personally liable therefor) in any form and manner deemed expedient to the Mortgagee; and in connection therewith:

(a) The Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises, or contest any tax or assessment;

(b) Mortgagee may, but shall not be required to, complete construction, furnishing and equipping of the Improvements upon the Premises and rent, operate and manage the Premises and such Improvements and pay operating costs and expenses, including

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management fees, of every kind and nature in connection therewith, so that the Premises and Improvements shall be operational and usable for their intended purposes;

(c) All monies paid for any of the purposes herein authorized or authorized by any other instrument evidencing or securing the Indebtedness, and all expenses paid or incurred in connection therewith, including attorney's fees and any other monies advanced by the Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping, or to rent, operate and manage the Premises and such Improvements, or to pay any such operating costs and expenses thereof, or to keep the Premises and Improvements operational and usable for their intended purposes, shall be so much additional Indebtedness, whether or not they exceed the amount of the Note, and shall become immediately due and payable without notice, and with interest thereon at the Default Rate specified in the Note (herein called the "Default Rate");

(d) Inaction of the Mortgagee shall never be considered a waiver of any right accruing to it on account of any default on the part of the Mortgagor;

(e) The Mortgagee, in making any payment hereby authorized (i) relating to taxes and assessments, 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, (ii) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted, or (iii) in connection with the completion of construction, furnishing or equipping of the Improvements or the Premises or the rental, operation or management of the Premises or the payment of operating costs and expenses thereof, Mortgagee may do so in such amounts and to such persons as Mortgagee may deem appropriate, and may enter into such contracts therefor as Mortgagee may deem appropriate or may perform the same itself.

12. **Inspection of Premises.** Mortgagor will at all times deliver to Mortgagee duplicate originals or certified copies of all contracts in excess of \$50,000, agreements and documents relating to the Premises and shall permit access by Mortgagee to its books and records of the operations of the Premises, insurance policies and other papers for examination and making copies and extracts thereof. Mortgagee, its agents and designees shall have the right to inspect the Premises at all reasonable times and upon reasonable advance notice and access thereto shall be permitted for that purpose.

13. **Financial Statements.** The Mortgagor will furnish to the Mortgagee at the address of Mortgagee as stated herein or otherwise provided, such financial and operating statements for the Premises, as set forth in the Loan Agreement.

14. **Restrictions on Transfer.** Subject to the provisions of Section 15 hereof, it shall be an immediate Event of Default hereunder if, without the prior written consent of the Mortgagee, a Prohibited Transfer (as hereinafter defined) shall occur. As used herein, a "Prohibited Transfer" shall occur if the Mortgagor shall create, effect, or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein, or any member interest in Mortgagor, whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise, excepting only sales or

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other dispositions of Collateral (hereinafter referred to as "Obsolete Collateral") no longer useful in connection with the operation of the Premises; provided that prior to the sale or other disposition thereof, such Obsolete Collateral shall have been replaced by Collateral, subject to the first and prior lien hereof, of at least equal value and utility.

The provisions of this Section shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, member interest of the Mortgagor or joint venture interest in the Mortgagor or any beneficiary of Mortgagor; and provided further that no consent by Mortgagee to, or any waiver of, any event or condition which would otherwise constitute an Event of Default under this Section, shall constitute a consent to or a waiver of any other or subsequent such event or condition or a waiver of any right, remedy or power of Mortgagee consequent thereon.

15. **Permitted Transfers.** The provisions of Section 14 hereof shall not apply to any of the following:

- (a) Liens securing the Indebtedness; and
- (b) The lien of current real estate taxes and assessments not in default.

16. **Security Agreement - Uniform Commercial Code.** This Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (hereinafter referred to as the "Code") with respect to any part of the Premises which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (all hereinafter referred to as "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Section 16 shall not limit the generality or applicability of any other provision of this Mortgage, but shall be in addition thereto:

(a) The Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof;

(b) The Collateral is to be used by the Mortgagor solely for business purposes, being installed upon the Premises for Mortgagor's own use or as the equipment and furnishings furnished by Mortgagor, as landlord, to tenants of the Premises;

(c) The Collateral will be kept at the Real Estate and will not be removed therefrom without the consent of the Mortgagee (being the Secured Party as that term is used in the Code) by Mortgagor or any other person; and the Collateral may be affixed to the Real Estate but will not be affixed to any other real estate;

(d) The only persons having any interest in the Premises are the Mortgagor, Mortgagee and persons occupying the Premises as tenants only;

(e) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to the Mortgagee such further information and will execute

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and deliver to the Mortgagee such financing statement and other documents in form satisfactory to the Mortgagee, and will do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no adverse liens or encumbrances; and the Mortgagor will pay the cost of filing the same or filing or recording such Financing Statements or other documents, and this instrument, in all public offices whenever filing or recording is deemed by the Mortgagee to be necessary or desirable;

(f) Upon the occurrence of any Event of Default hereunder (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter (such Event of Default not having previously been cured), the Mortgagee at its option may declare the Indebtedness immediately due and payable, all as more fully set forth in Section 17 hereof, and thereupon Mortgagee shall have the remedies of a secured party under the Code, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as the Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code);

(g) The Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to the Mortgagor's right of redemption, if any, in satisfaction of the Mortgagor's obligations as provided in the Code; provided that (i) the Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on the Premises (if this may be done without a breach of the peace), and (ii) the Mortgagee may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties;

(h) The Mortgagee will give Mortgagor at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made and the requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of the Mortgagor determined as provided herein, at least five (5) days before the time of the sale or disposition;

(i) The Mortgagee may buy at any public sale, and if the Collateral is a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at any private sale, and any such sale may be held as part of and in conjunction with any foreclosure sale of the Real Estate comprised within the Premises, the Collateral and Real Estate to be sold as one lot if Mortgagee so elects;

(j) The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like, and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied in satisfaction of the Indebtedness; and the Mortgagee will account to the Mortgagor for any surplus realized on such disposition, and promptly pay such surplus to the Mortgagor;

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(k) The remedies of the Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure thereof, so long as any part of the Indebtedness remains unsatisfied;

(l) To the extent permitted by law, Mortgagor and Mortgagee agree that with respect to all items of Personal Property which are or will become fixtures on the Real Estate, this Mortgage, upon recording or registration in the real estate records of the proper office; shall constitute a "fixture filing" within the meaning of the Uniform Commercial Code. Mortgagor is the record owner of the Real Estate.

(m) The terms and provisions contained in this Section 16 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

17. **Events of Default.** If one or more of the following events (hereinafter referred to as "Events of Default") shall occur:

(a) Any default shall occur in the due and punctual payment of principal or interest on the Note or any other indebtedness of the Mortgagor owed to Mortgagee under the Note or under the Loan Agreement when and as the same becomes due and such default shall not be cured within five (5) days following written notice thereof from Mortgagee to Mortgagor;

(b) Any failure of Mortgagor, for a period of thirty (30) days (except as to Defaults specified elsewhere in this Section or where a longer or shorter period is specified herein or in the other Loan Documents for a particular default) after written notice from Mortgagee to Mortgagor to observe or perform any of the covenants of Mortgagor under the terms of this Mortgage or other of the Loan Documents except payment of the Note provided however in the event Mortgagor has commenced efforts to cure said default within said thirty (30) days and is diligently pursuing the same, such thirty (30) day cure period shall be extended for a period of time not to exceed an additional thirty (30) days;

(c) The occurrence of a Prohibited Transfer;

(d) The existence of any collusion, fraud, dishonesty or bad faith by or with the acquiescence of Mortgagor which in any way relates to or affects this Loan or the Project;

(e) If at any time any material representation, statement, report or certificate made now or hereafter by Mortgagor is not true and correct, and such representation, statement, report or certificate is not corrected within thirty (30) days after written notice thereof;

(f) If all or a substantial part of the assets of Mortgagor are attached, seized, subjected to a writ or distress warrant, or is levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days;

(g) If Mortgagor is enjoined, restrained or in any way prevented by court order from performing any of its obligations hereunder or under the other Loan Documents or conducting all or a substantial part of its business affairs; or if a proceeding seeking such relief is not dismissed within forty-five (45) days of being filed or commenced; or if proceedings are commenced by any public or quasi-public body to acquire a material portion of the Premises or

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any interest therein by power or condemnation or eminent domain and such proceedings are not dismissed within forty-five (45) days of the commencement date;

(h) If a notice of lien, levy or assessment is filed of record with respect to all or any part of the property of Mortgagor by the United States, or any other governmental authority, unless contestable and actually and diligently contested in accordance herewith;

(i) Failure by Mortgagor to maintain a depository account with Mortgagee and to cause all lease payments to be directed to and maintained in such account; or

(j) If there occurs a material adverse change in the financial condition of Mortgagor;

(k) If Mortgagor or any guarantor:

(i) Shall file a voluntary petition in bankruptcy or for arrangement, reorganization or other relief under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter in effect;

(ii) Shall file an answer or other pleading in any proceedings admitting insolvency, bankruptcy, or inability to pay its or their debts as they mature;

(iii) Within forty-five (45) days after the filing against any of said parties of any involuntary proceedings under the Federal Bankruptcy Act or similar law, state or federal, now or hereafter in effect, such proceedings shall not have been vacated;

(iv) Any order appointing a receiver, trustee or liquidator for any of said parties or for all or a major part of their property or the Premises shall not be vacated within forty-five (45) days following entry thereof;

(v) Shall be adjudicated a bankrupt;

(vi) Shall make an assignment for the benefit of creditors or shall admit in writing any of said parties' inability to pay their debts generally as they become due 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;

(vii) If Mortgagor shall be dissolved, terminated or merged;

then the Mortgagee is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagee hereunder, to declare, after giving five (5) days written notice (or such other period of time where a longer or shorter period is specified herein or in the Note for a particular default) to Mortgagor, all Indebtedness to be immediately due and payable, whether or not such default is thereafter remedied by the Mortgagor, and the Mortgagee may immediately proceed to foreclose this Mortgage and/or exercise any right, power or remedy provided by this Mortgage, the Note, or by law or in equity conferred.



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18. **Foreclosure.** When the Indebtedness, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof and in connection therewith:

(a) In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all reasonable expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidder at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises; and

(b) All reasonable expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate.

(c) In the event of a deficiency upon a sale of the Premises pledged hereunder by Mortgagor, then Mortgagor shall forthwith pay such deficiency including all expenses and fees which may be incurred by the holder of the Note secured by this Mortgage in enforcing any of the terms and provisions of this Mortgage.

19. **Proceeds of Foreclosure Sale.** The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned elsewhere in this Mortgage; Second, all other items which, under the terms hereof, constitute Indebtedness additional to that evidenced by the Note, with interest on such items as herein provided; Third, to interest remaining unpaid upon the Note; Fourth, to the principal remaining unpaid upon the Note; and lastly, any over plus to the Mortgagor, and its successors or assigns, as their rights may appear.

20. **Receiver.** Mortgagor consents and agrees that:

(a) 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 Premises;

(b) Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of the Mortgagor 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 the Mortgagee hereunder, or any holder of the Note may be appointed as such receiver;

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(c) 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 a 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 the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period;

(d) The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

(i) 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 such decree, provided such application is made prior to the foreclosure sale; or

(ii) The deficiency in case of a sale and deficiency.

21. **Insurance Upon 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 Restoring the Improvements, as aforesaid, 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, if any, shall be paid as the court may direct; and:

(a) In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be canceled 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; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in each such case made and provided, then in every such case, each and every successive redeмпtor may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeмпtor; and

(b) In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

## 22. **Compliance With Illinois Mortgage Foreclosure Law.**

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of the Illinois Real Estate Foreclosure law (hereinafter referred to as the "Act") the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon an Event of Default by Mortgagor which are more limited than the rights would

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otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

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

23. **Waiver of Statutory Rights.** The Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate or residential real estate, and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed the Act and to the full extent permitted by law, the benefits of all present and future valuation, appraisalment, homestead exemption, stay, redemption and moratorium laws under any state or federal law.

24. **Forbearance.** Any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the indebtedness secured by this Mortgage.

25. **Waiver.** The Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatever claim or 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 claim, take or insist upon the benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisalment of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to decree, judgment or order of any court of competent jurisdiction; or, after such sale or sales, claim or exercise any rights under any statute now or hereafter in force or redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof; and without limiting the foregoing:

(a) The Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, excepting only decree or judgment creditors of the Mortgagor acquiring any interest or title to the Premises or beneficial interest in Mortgagor subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of the Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of the Act or other applicable law or replacement statutes;

(b) The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to the Mortgagee but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(c) If the Mortgagor is a trustee, Mortgagor represents that the provisions of this Section (including the waiver of redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor, and are

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made on behalf of the Trust Estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons mentioned above.

26. **Mortgagee In Possession.** Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by the Mortgagee.

27. **Business Loan.** It is understood and agreed that the loan evidenced by the Note and secured hereby is a business loan within the purview of the Illinois Interest Act (Chapter 815 ILCS, Section 20514) (or any substitute, amended, or replacement statutes) transacted solely for the purpose of carrying on or acquiring the business of the Mortgagor of, or if the Mortgagor is a trustee, for the purpose of carrying on or acquiring the business of the beneficiaries of the Mortgagor as contemplated by said Section.

28. **Contests.** Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any taxes imposed or assessed upon the Premises or which may be or become a lien thereon and any mechanic's, materialmen's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Lien shall constitute an Event of Default hereunder, if, but only if:

(a) Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee at the time the same shall be asserted;

(b) Mortgagor shall deposit with Mortgagee the full amount (herein called the "Lien Amount") of such Contested Lien or which may be secured thereby, together with such amount as Mortgagee as the case may be, may reasonably estimate as interest or penalties which might arise during the period of contest; provided that in lieu of such payment Mortgagor may furnish to Mortgagee a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to Mortgagee;

(c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit Mortgagee to be represented in any such contest and shall pay all expenses incurred by Mortgagee in so doing, including fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand);

(d) Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee if, in the opinion of Mortgagee, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply

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for the purpose monies deposited as provided in Subsection (b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

29. **Indemnification.** Mortgagor does hereby covenant and agree that, except in cases of the gross negligence or the intentional acts of the Mortgagee:

(a) Mortgagee shall have no responsibility for the control, care, management or repair of the Premises and shall not be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the premises resulting in loss, injury or death to any tenant, licensee, immediate stranger or other person;

(b) No liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers hereby granted to the Mortgagee, and Mortgagor hereby expressly waives and releases any such liability;

(c) Mortgagor shall and does hereby indemnify and hold Mortgagee harmless from any liability, loss or damage which Mortgagee may or might incur by reason of (i) exercise by Mortgagee of any right hereunder, and (ii) any and all claims and demand whatsoever which may be asserted against Mortgagee by reason of any alleged obligation or undertaking on Mortgagee's part to perform or discharge any of the terms, covenants or agreements contained herein or in any instrument evidencing, securing or relating to the Indebtedness or in any contracts, agreements or other instruments relating to or affecting the Premises; and all such liability, loss or damage incurred by the Mortgagee together with the costs and expenses, including reasonable attorneys' fees incurred by Mortgagee in the defense (including preparation for defense) of any claims or demands therefor (whether successful or not) shall be so much additional Indebtedness, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest thereon at the Default Rate from the date of demand to the date of payment.

(d) In the event of foreclosure of the lien hereof, the foregoing provisions of this Section shall expire upon the first to occur of (i) the Mortgagee or any party claiming by or through Mortgagee taking possession of the Premises; or (ii) the Mortgagee or any party claiming by or through Mortgagee acquiring title to the Premises, provided however said expiration shall only apply as to occurrences arising after the event giving rise to the expiration of the provisions of this Section.

30. **Mortgagor Not A Joint Venturer Or Partner.** Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor; and without limiting the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the Indebtedness, or otherwise.

31. **Mortgagor's Statement.** Mortgagor, within ten (10) days upon request in person or within twelve (12) days upon request by mail, shall furnish a written statement duly acknowledged of all amounts due on any indebtedness secured hereby, whether for principal or interest on the Note or otherwise, and stating whether any offsets or defenses exist against the Indebtedness and covering such other matters with respect to any of the Indebtedness as Mortgagee may reasonably require.

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## 32. **Maximum Interest Rate.**

(a) Any agreements between Mortgagor and Mortgagee are expressly limited so that, in no event whatsoever, whether by reason of disbursement of the proceeds of the loans secured hereby or otherwise, shall the amount paid or agreed to be paid to Mortgagee for the use, detention or forbearance of the loan proceeds to be disbursed exceed the highest lawful contract rate permissible under any law which a court of competent jurisdiction may deem applicable thereto.

(b) If fulfillment of the Note, any provision herein, in the Loan Documents or in any other instrument pledged as security for the Note, at the time performance of such provision becomes due, involves exceeding such highest lawful contract rate, then ipso facto, the obligation to fulfill the same shall be reduced to such highest lawful contract rate. If by any circumstance Mortgagee shall ever receive as interest an amount which would exceed such highest lawful contract rate, the amount which may be deemed excessive interest shall be applied in the manner set forth in the Note.

33. **Future Advances.** This Mortgage shall secure all future advances and loans, as well as all costs and expenses of performing and enforcing the Mortgagor's obligations under this Mortgage and the Loan Documents. All advances under the Note or under or pursuant to this Mortgage or the Loan Documents are obligatory advances and shall, to the fullest extent permitted by law, have priority over mechanics' liens and any and all other liens, charges and claims, if any, arising after this Mortgage is recorded.

34. **No Merger.** It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should the Mortgagee acquire any additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by the Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

35. **Title In Mortgagor's Successors.** In the event that the ownership of the Premises or any part thereof becomes vested in a person or persons other than the Mortgagor (a) the Mortgagee may, without notice to the Mortgagor, deal with such successor or successors in interest of the Mortgagor with reference to this Mortgage and the Indebtedness in the same manner as with the Mortgagor; and (b) the Mortgagor will give immediate written notice to the Mortgagee of any conveyance, transfer or change of ownership of the Premises; but nothing in this Section contained shall vary or negate the provisions of Section 17 hereof.

36. **Rights Cumulative.** Each right, power and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or

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arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

37. **Successors and Assigns.** This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of the Premises or any other person having an interest therein) and shall inure to the benefit of the Mortgagee and its successors and assigns and (a) wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder of from time to time of the Note, whether so expressed or not; and (b) each such from time to time holder of the note shall have and enjoy all of the rights, privileges, powers, options, benefits and security afforded hereby and hereunder, and may enforce every and all 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 was herein by name specifically granted such rights, privileges, powers, options, benefits and security and was herein by name designated the Mortgagee.

38. **Provisions Severable.** The enforceability of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

39. **Waiver of Defense.** 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.

40. **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 confining or limiting in any way the scope or intent or the provisions hereof. Whenever the context requires or permits, the singular number shall include the plural, the plural shall include the singular and the masculine, feminine and neuter genders shall be freely interchangeable.

41. **Addresses And Notices.** Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the personal delivery thereof, by overnight delivery, or the passage of three days after the mailing thereof by registered or certified mail, return receipt requested, to the addresses initially specified in the introductory paragraph hereof, or to such other place or places as any party hereto may by notice in writing designate, shall constitute service of notice hereunder, with copies to:

IF TO MORTGAGEE:  
Metropolitan Capital Bank & Trust  
9 E. Ontario Street  
Chicago, IL 60611  
Attn: Loan Operations

IF TO MORTGAGOR:  
Deutsch, Levy & Engel, Chartered  
225 W. Washington Street  
Ste. 1700  
Chicago, Illinois 60606  
Attn: Kenneth Strauss

42. **Mortgagor Will Not Discriminate.** Mortgagor covenants and agrees at all times to be in full compliance with provisions of law prohibiting discrimination on the basis of race, color, creed or national origin including, but not limited to, the requirements of Title VII of the 1968 Civil Rights Act, or any substitute, amended or replacement Acts.

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43. **Interest At The Default Rate.** Without limiting the generality of any provision herein or in the Note contained, from and after the occurrence of any Event of Default hereunder, all of the Indebtedness shall bear interest at the Default Rate.

44. **Time.** Time is of the essence hereof and of the Note and all other instruments delivered in connection with the Indebtedness.

45. **Governing Law.** This Mortgage shall be governed by the laws of the State of Illinois. In the event one or more of the provisions contained in this Mortgage shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

46. **Hazardous Waste.** The Mortgagor has entered into and delivered to Mortgagee that certain Environmental Indemnity Agreement which is incorporated herein by this reference.

47. **Release Upon Payment and Discharge of Mortgagor's Obligations; Partial Release.** Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby, including payment of reasonable expenses incurred by Mortgagee in connection with the execution of such release.

48. **Waiver of Jury Trial.** THE MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING (i) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS MORTGAGE OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED IN CONNECTION HERewith, OR (ii) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY

(Signature Page Follows)

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IN WITNESS WHEREOF, this Mortgage is executed and delivered as of the day and year first above written.

BOULDER REAL ESTATE GROUP LLC, an  
Illinois limited liability company

By: \_\_\_\_\_

*Julia Mickelson* a Manager

[NOTARY PAGE FOLLOWING]

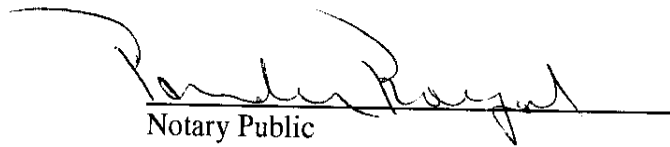
Property of Cook County Clerk's Office

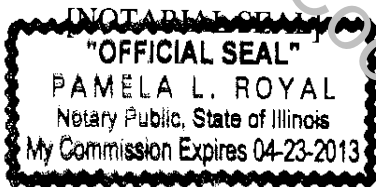
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STATE OF IL }  
 } ss.  
COUNTY OF COOK }

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Julian Mickelson, personally known to me to be a Manager of BOULDER REAL ESTATE GROUP LLC, an Illinois limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument on behalf of said company, as his free and voluntary act, and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

Given under my hand and official seal, this 15<sup>th</sup> day of August, 2012.

  
Notary Public



My Commission Expires:

4-23-2013

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## EXHIBIT A LEGAL DESCRIPTION

LOT 9 IN THE SUBDIVISION OF LOT 5 IN FURMAN'S SUBDIVISION OF BLOCK 12  
IN KING AND PATTERSON'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 29,  
TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN  
COOK COUNTY, ILLINOIS.

PINs: 13-29-217-039-0000

Address: 2904 North Marmora Avenue, Chicago, IL 60634

Property of Cook County Clerk's Office