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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1417045058 Fee: \$74.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/19/2014 11:59 AM Pg: 1 of 19

Report Mortgage Fraud
800-532-8785

The property identified as:

PIN: 17-04-320-008-0000

Address:

Street: 450 W. Oak St.

Street line 2:

City: Chicago

State: IL

ZIP Code: 60610

Lender: CMK Holdings (Delaware) LLC and CMK Investment Corporation

Borrower: 450 Oak LLC

Loan / Mortgage Amount: \$10,000,000.00

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

Certificate number: 9180678B-8B25-43D5-81A3-466D71BF1DD6

Execution date: 04/30/2014

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**THIS INSTRUMENT PREPARED
BY AND AFTER RECORDING
RETURN TO:**

David J. O'Keefe
Schain, Banks, Kenny & Schwartz, Ltd.
70 West Madison Street, Suite 5300
Chicago, IL 60602

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

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT ("Mortgage") is made as of this 30th day of April, 2014, by **450 OAK LLC**, an Illinois limited liability company ("Mortgagor") to and in favor of **CMK HOLDINGS (DELAWARE) LLC**, a Delaware limited liability company ("CMKH"), and **CMK INVESTMENT CORPORATION**, a Delaware corporation ("CMKIC" and, along with CMKH, sometimes referred to herein collectively as "Mortgagee").

RECITALS

A. Mortgagee and **450 Oak LLC**, an Illinois limited liability company ("Buyer") have entered into that certain Membership Interest Purchase Agreement of even date herewith (the "Contract") for the sale by Mortgagee and the purchase by Buyer of all membership interests (the "Membership Interests") in and to **450 W. Oak, LLC**, an Illinois limited liability company (the "Company"), which Contract provides for the payment of sums and the performance of obligations by Buyer to and for the benefit of Mortgagee following the transfer of the Membership Interests, and

B. As a condition precedent to Mortgagee's agreement to sell the Membership Interests as set forth in the Contract, and to secure the obligations of Buyer to Mortgagee thereunder, Mortgagee has required the execution and delivery by Mortgagor of this Mortgage.

TO SECURE to Mortgagee the repayment of all amounts due Mortgagee under the Contract, the payment of all charges provided herein and all other sums advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements contained herein by Mortgagor and in the Contract by Buyer, all future advances and all other indebtedness of Mortgagor to Mortgagee whether now or hereafter existing (collectively, the "Secured Indebtedness") and also in consideration of Ten Dollars (\$10.00), the receipt and sufficiency of which are acknowledged, Mortgagor does hereby convey, grant, mortgage and warrant to Mortgagee the real estate ("Real Estate") located in the County of Cook, State of Illinois, described on Exhibit A attached hereto, subject only to covenants, conditions, easements and restrictions set forth on Exhibit B, if any, ("Permitted Encumbrances").

TOGETHER WITH all of Mortgagor's right, title and interest in all buildings, structures, improvements, tenements, fixtures, easements, mineral, oil and gas rights, water rights, appurtenances thereunto belonging, title or reversion in any parcels, strips, streets and alleys adjoining the Real Estate, any land or vaults lying within any street, thoroughfare or alley adjoining the Real Estate, and, to the extent assignable, any privileges, licenses, and franchises pertaining thereunto, all of the foregoing now or hereafter acquired, all leasehold estates and all rents, issues, and profits thereof, for so long and during all such times as Mortgagor, its successors and assigns may be entitled thereto, 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): proceeds of

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insurance in effect with respect to the Property (as hereinafter defined) and (ii) any and all awards, claims for damages, settlements 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 Property, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "Awards") (which are pledged primarily and on a parity with the Real Estate and not secondarily), and all of Mortgagor's right, title and interest in all apparatus, equipment or articles now or hereafter located thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and any other apparatus, equipment or articles used or useful in the operation of the Property including all additions, substitutions and replacements thereof. All of the foregoing are declared to be a part of the Real Estate whether physically attached or not, and it is agreed that all similar apparatus, equipment, articles and fixtures hereafter placed on the Real Estate by Mortgagor or its successors or assigns shall be considered as constituting part of the Real Estate. (All of the foregoing, together with the Real Estate (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property").

To have and to hold the Property unto Mortgagee, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Property is located, which rights and benefits Mortgagor does hereby expressly release and waive.

Mortgagor and Mortgagee covenant and agree as follows:

1. **Payment of Purchase Price.** Mortgagor shall promptly pay or cause to be paid when due all Secured Indebtedness.
2. **Application of Payments.** Unless prohibited by applicable law, all payments received by Mortgagee under this Mortgage and the Contract shall be applied by Mortgagee to any sums advanced by Mortgagee pursuant to Paragraph 7 to protect the security of this Mortgage, then to payment of the Purchase Price in accordance with the terms of the Contract.
3. **Prior Encumbrances; Liens.** Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") creating a lien having priority over this Mortgage, including Mortgagor's covenants to make payments when due. Any act or omission of Mortgagor which, with the giving of notice or the passage of time would constitute a default or event of default under any Prior Encumbrance or under any ground lease shall be an Event of Default under this Mortgage. Mortgagor shall promptly deliver to Mortgagee all notices given or received of any defaults or events of default under any Prior Encumbrance or any ground lease. Nothing in this Paragraph 3 shall be deemed to permit a Prohibited Transfer as defined in Paragraph 15 hereof. Mortgagor shall keep the Property free from mechanics' and all other liens and encumbrances, except Permitted Encumbrances and statutory liens for real estate taxes and assessments not yet due and payable, except that Mortgagor may contest any lien provided that Mortgagor provides Mortgagee title insurance or other security reasonably acceptable to Mortgagee.
4. **Taxes and Assessments; Rents.** Mortgagor shall pay or cause to be paid when due all Impositions and water, sewer and other charges, fines and Impositions attributable to the Property and leasehold payments, if any, and all other sums due under any ground lease attributable to the Property. Mortgagor shall provide evidence satisfactory to Mortgagee of compliance with these requirements promptly

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after the respective due dates for payment. Mortgagor shall pay, in full, but under protest in the manner provided by Statute, any tax or assessment Mortgagor desires to contest.

5. **Insurance. Definitions.** For purposes of this Paragraph 5:

“Premises” means all land, improvements and fixtures.

“Real Estate” means only the land.

“Impositions” means all general and special real estate and property taxes and assessments (including condominium and planned unit developments assessments, if any) and ground rents on the Premises, if any.

a. Mortgagor, at its sole cost and expense, shall insure and keep insured 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, including:

(i) **All Risk.** Insurance against loss to the Premises which during construction shall be on an “All Risk” perils “Builders' Risk”, non-reporting “Completed Value” form, and after completion of construction shall be on an “All Risk” policy form, in each case, covering insurance risks no less broad than those covered under a Standard Multi-Peril (SMP) policy form, which contains a Commercial ISO “Causes of Loss - Special Form”, including theft, and insurance against such other risks as Mortgagee may reasonably require, including, but not limited to, insurance covering the cost of demolition of undamaged portions of any portion of the Premises when required by code or ordinance, the increased cost of reconstruction to conform with current code or ordinance requirements and the cost of debris removal. In addition, during construction such policies shall cover real estate property taxes; architect, engineering, and consulting fees; legal and accounting fees, including, but not limited to, the cost of in-house attorneys and paralegals, advertising and promotions expenses; interest on money borrowed; additional commissions incurred upon renegotiating leases and any and all other expenses which may be incurred as a result of any property loss or destruction by an insured. Such policies shall be in amounts equal to the full replacement cost of the Premises (other than the Real Estate), including all fixtures, equipment, construction materials and personal property on and off site, and Mortgagor's interest in any leasehold improvements. Such policies shall also contain a one hundred percent (100%) co-insurance clause with an agreed amount endorsement (with such amount to include the replacement cost of the foundation and any underground pipes), a permission to occupy endorsement and deductibles which are in amounts acceptable to Mortgagee.

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(ii) **Workers' Compensation.** During the construction of (or making of any alterations or improvements to) the Premises (i) insurance covering claims based on the owner's or employer's contingent liability not covered by the insurance provided in subsection (iv) below and (ii) workers' compensation insurance covering all persons engaged in such alterations or improvements.

(iii) **Public Liability.** Commercial general public liability insurance against death, bodily injury and property damage arising in connection with the Premises. Such policy shall be written on a 1986 Standard ISO occurrence basis form or equivalent form, shall list Mortgagee as the named insured, shall designate thereon the location of the Premises and have such limits as Mortgagee may reasonably require, but in no event less than One Million and No/100 Dollars (\$1,000,000.00). Mortgagor shall also obtain excess umbrella liability insurance with such limits as Mortgagee may reasonably require, but in no event less than Two Million and No/100 Dollars (\$2,000,000.00).

b. **Policy Requirements.** All insurance shall: (i) be carried in companies acceptable to Mortgagee; (ii) in form and content acceptable to Mortgagee; (iii) provide thirty (30) days' advance written notice to Mortgagee before any cancellation, adverse material modification or notice of non-renewal; (iv) to the extent limits are not otherwise specified herein, contain deductibles which are in amounts acceptable to Mortgagee; and (v) provide that no claims shall be paid thereunder without ten (10) days advance written notice to Mortgagee.

All physical damage policies and renewals shall contain a standard mortgage clause naming Mortgagee as mortgagee, which clause shall expressly state that any breach of any condition or warranty by Mortgagor shall not prejudice the rights of Mortgagee under such insurance; and a loss payable clause in favor of Mortgagee for personal property, contents, inventory, equipment, loss of rents and business interruption. All liability policies and renewals shall name Mortgagee as additional insureds. No additional parties shall appear in the mortgage or loss payable clause without Mortgagee's prior written consent. All deductibles shall be in amounts acceptable to Mortgagee. In the event of the foreclosure of this Mortgage or any other transfer of title to the Premises in full or partial satisfaction of the Secured Indebtedness, all right, title and interest of Mortgagee in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

c. **Delivery of Policies.** Any notice pertaining to insurance and required pursuant to this Paragraph 5 shall be given in the manner provided in Paragraph 12 below at Mortgagor's address stated herein. The insurance shall be evidenced by the original policy or a true and certified copy of the original policy, or in the case of liability insurance, by certificates of insurance. Mortgagor shall use its best efforts to deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid", (or evidence satisfactory to Mortgagee of the continuing coverage) to Mortgagee at least thirty (30) days before the expiration of existing policies and, in any event, Mortgagor shall deliver originals of such policies or certificates to Mortgagee at least fifteen (15) days before the expiration of existing policies. If Mortgagee has not received satisfactory evidence of such renewal or

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substitute insurance in the time frame herein specified, Mortgagee shall have the right, but not the obligation, to purchase such insurance for Mortgagee's interest only. Any amounts so disbursed by Mortgagee pursuant to this Paragraph 5 shall be a part of the Secured Indebtedness. Nothing contained in this Paragraph 5 shall require Mortgagee to incur any expense or take any action hereunder, and inaction by Mortgagee shall never be considered a waiver of any right accruing to Mortgagee on account of this Paragraph 5.

d. **Notice of Casualty.** Mortgagor shall give immediate notice of any loss to Mortgagee. In case of loss covered by any of such policies, Mortgagee is authorized to adjust, collect and compromise in its discretion, all claims thereunder and in such case, Mortgagor covenants to sign upon demand, or Mortgagee may sign or endorse on Mortgagor's behalf, all necessary proofs of loss, receipts, releases and other papers required by the insurance companies to be signed by Mortgagor. Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact for the purposes set forth in the preceding sentence. Mortgagee may deduct from such insurance proceeds any expenses incurred by Mortgagee in the collection and settlement thereof, including, but not limited to, attorneys' and adjusters' fees and charges.

6. **Use, Preservation and Maintenance of Property.** Mortgagor shall keep the Property in good condition and repair and shall not commit waste or permit impairment or deterioration of the Property. Mortgagor shall not allow store, treat or dispose of hazardous material nor permit the same to exist or be stored, treated or disposed of, from or upon the Property. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Property.

7. **Protection of Mortgagee's Security.** If Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage or the Contract, or if any action or proceeding is threatened or commenced which materially affects Mortgagee's interest in the Property, then Mortgagee, at Mortgagee's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or necessary to protect Mortgagee's interest, including: (i) making repairs; (ii) discharging Prior Encumbrances in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, paying ground rents (if any); (iv) procuring insurance; and (v) renting, operating and managing the Property and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Property shall be operational and usable for its intended purposes. Mortgagee, in making payments of Impositions and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Mortgagee pursuant to this Paragraph 7 shall be part of the Secured Indebtedness. Nothing contained in this Paragraph 7 shall require Mortgagee to incur any expense or take any action hereunder, and inaction by Mortgagee shall never be considered a waiver of any right accruing to Mortgagee on account of this Paragraph 7.

8. **Inspection of Property and Books and Records.** Mortgagor shall permit Mortgagee and its representatives and agents to inspect the Property from time to time during normal business hours and as frequently as Mortgagee requests. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Property. From time to time upon not less than five (5) days demand, Mortgagor shall permit Mortgagee or its agents to examine and copy such books and records and all supporting vouchers and data at its offices or at the address identified above.

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9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Mortgagee and applied as provided in accordance with the Contract. Mortgagor hereby grants a security interest to Mortgagee in and to such proceeds. Mortgagee is authorized to collect such proceeds and to apply said proceeds to restoration or repair of the Property.

10. **Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver; Remedies Cumulative.** Extension or other modification granted by Mortgagee to any successor in interest of Mortgagor of the time for payment of all or any part of the Secured Indebtedness shall not operate to release, in any manner, the liability of Mortgagor. Any forbearance or inaction 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. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively. No consent or waiver by Mortgagee to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

11. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective heirs, executors, legal representatives, successors and assigns of Mortgagor and Mortgagee. If this Mortgage is executed by more than one Mortgagor, each Mortgagor shall be jointly and severally liable hereunder.

12. **Notice.** Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be given by hand delivery, by nationally recognized overnight courier service or by certified mail, return receipt requested. Notices shall be deemed to have been given and effective on the date of delivery if hand-delivered, the next business day after delivery to the nationally recognized overnight courier service if by such courier service, or two (2) business days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are given by notice as provided herein. Notices shall be given at the respective addresses below:

If to Mortgagor:

c/o Zev Salomon
833 N. Orleans Street, Suite 400
Chicago, Illinois 60610
Fax: (312) 751-2715

with copy to:

Ruttenberg Gilmartin Reis, LLC
833 N. Orleans Street, Suite 400
Chicago, Illinois 60610
Attn: Wayne S. Gilmartin
Fax: (312) 751-2715

If to Mortgagee:

c/o CMK Development, Inc.
225 West Ohio Street
Sixth Floor
Chicago, Illinois 60654
Attention: Colin M. Kihnke
FAX: (773) 395-9457

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with a copy to:

Schain, Banks, Kenny & Schwartz, Ltd.
70 West Madison Street
Suite 5300
Chicago, Illinois 60602
Attention: David J. O'Keefe
FAX: (312) 345-5701

13. **Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Contract conflicts with applicable law, or is adjudicated to be invalid or unenforceable, same shall not affect other provisions of this Mortgage or the Contract which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Contract are declared to be severable and the validity or enforceability of the remainder of document in question shall be construed without reference to the conflicting, invalid or unenforceable clause or provision.

14. **Prohibitions on Transfer of the Property or of an Interest in Mortgagor.** It shall be an immediate default if, without the prior written consent of Mortgagee, which consent may be granted or withheld at Mortgagee's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any lease, conveyance, sale (including an installment sale), assignment, transfer, lien, pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise, (collectively "Transfer") of (1) the Property or any part thereof or interest therein except as permitted in the Contract; (2) all or a portion of the beneficial interest of Mortgagor or change in the power of direction, if Mortgagor is a trustee; (3) all or a portion of the stock of any corporate Mortgagor or corporate beneficiary of a trustee Mortgagor, that results or could result in a material change in the identity of the person(s) or entities previously in control of such corporation, or (4) all or a portion of a partnership, or joint venture interest of a joint venturer in the joint venture, if Mortgagor or Mortgagor's beneficiary, in the event Mortgagor is a trustee, consists of or includes a partnership or joint venture, that results or could result in a material change in the identity of the person(s) in control of such partnership or joint venture (each of the foregoing is referred to as a "Prohibited Transfer"). The foregoing provisions of this Paragraph 14 shall not, however, apply to the lien of current Impositions and assessments not yet due and payable.

15. **Event of Default.**

(a) Each of the following shall constitute an event of default ("Event of Default") under this Mortgage:

- i. Buyer's failure to pay any amount due under the Contract or Mortgagor's failure to pay any amount due this Mortgage and any such failure continues for more than three (3) business days following written notice thereof from Mortgagee to Mortgagor; provided, however, that such notice and cure rights shall not apply to the other subparagraphs of this Paragraph 15;
- ii. Buyer's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Contract or Mortgagor's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in this Mortgage (other than an Event of Default described

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elsewhere in this Paragraph 15) and such failure continues for more than ten (10) days after the earlier of Mortgagor's becoming aware of such failure or notice thereof given by Mortgagee to Mortgagor; provided, however, that, in the event such failure cannot be cured within ten (10) days for reasons beyond the control of Mortgagor and Mortgagor has commenced to cure such failure within said ten (10) days, Mortgagor shall have such additional time as may be necessary, in no event to exceed thirty (30) days in total, to cure such failure; and provided further that the cure period herein described shall not apply to the other subparagraphs of this Paragraph 15;

- iii. the occurrence of any breach of any representation or warranty contained in this Mortgage or the Contract that is not cured within seven (7) days after notice from Mortgagee unless such breach is not susceptible of a cure, in which case the Event of Default shall occur upon such breach;
- iv. a Prohibited Transfer occurs;
- v. a court having jurisdiction shall enter a decree or order for relief in respect of Buyer or Mortgagor in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law; or if Buyer, Mortgagor, or any person in control of Buyer or Mortgagor shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee (or similar official) of Buyer or Mortgagor or for any part of the Property or any substantial part of Buyer's or Mortgagor's other property; (iii) make any assignment for the benefit of Buyer's or Mortgagor's creditors; (iv) fail generally to pay Buyer's or Mortgagor's debts as they become due;
- vi. all or a substantial part of Buyer's or Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;
- vii. (i) the dissolution or termination of existence of Buyer or Mortgagor, voluntarily or involuntarily; (ii) the amendment or modification in any respect of Buyer's or Mortgagor's Articles of Organization or Operating Agreement that would affect Buyer's or Mortgagor's performance of its obligations under the Contract or this Mortgage;
- viii. this Mortgage shall not constitute a valid lien on and security interest in the Property (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected;
- ix. the Property is abandoned; or
- x. an indictment or other charge is filed against Mortgagor, in any jurisdiction, under any federal or state law, for which forfeiture of the Property is a potential penalty (unless such charge is dismissed within ten (10) days after filing).

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(b) Remedies. Without limiting other rights granted to Mortgagee under this Mortgage, upon the occurrence and during the continuation of a Default under this Mortgage, Mortgagee may, at its option, (i) institute proceedings for the complete foreclosure of this Mortgage, (ii) institute proceedings to collect any delinquent payments of the Secured Indebtedness by proceeding with foreclosure of this Mortgage with respect to any delinquent payments only and any sale of the Premises under such a foreclosure proceeding shall be subject to and shall not affect that part of the Secured Indebtedness not then due and payable and this Mortgage shall be and continue as a lien on the Premises securing the unmatured portion of the Secured Indebtedness, (iii) institute proceedings in equity or at law for the specific performance of any covenant, agreement or condition in this Mortgage or in aid of the execution of any power granted in this Mortgage or (iv) take such other action as may be permitted under the laws of the State of Illinois.

(c) Expense of Litigation. In any suit to foreclose the lien of this Mortgage there shall be allowed and included, as additional indebtedness in the judgment or decree of foreclosure, all expenditures and expenses (which may be estimated as to items to be expended after entry of the judgment or decree) which may be paid or incurred by or on behalf of Mortgagee for court costs and attorneys' fees and for appraisers' fees, fees for documentary and expert evidence, stenographer's fees, publication costs, survey costs and costs of procuring all abstracts of title, title examinations, title insurance policies and other similar data and assurances with respect to title as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such judgment or decree of foreclosure the true condition of the title to or value of the Property.

(d) Right of Possession. Upon the occurrence and during the continuation of an Event of Default and to the extent permitted by law, Mortgagee, at its option, shall have the right, personally or by its agents or attorneys, to enter upon and to take and maintain possession of all or any portion of the Property and to take and maintain possession of all documents, books, records, papers and accounts of Mortgagor or the then manager of the Property relating thereto and may exclude Mortgagor, its agents or servants, wholly therefrom and may, personally or by its agents or attorneys as agent of Mortgagor or in its own name as Mortgagee and under the powers herein granted possess, operate, manage and control the Property and conduct any business thereon with full power to (i) collect all rents, issues and profits from the Property, (ii) take such action, legal or equitable, as may, in its discretion, be necessary or desirable to protect or enforce the payment of the rents, issues and profits from the Property, including instituting actions for recovery of rent, actions in forcible detainer and actions in distress for rent, (iii) cancel or terminate any tenancy, lease or sublease for any cause or reason which would entitle Mortgagor to cancel such tenancy, lease or sublease, (iv) elect to disaffirm any tenancy, lease or sublease made subsequent to this Mortgage or subordinated to the lien of this Mortgage, (v) extend or modify any then existing lease or tenancy and make new leases, which extensions, modifications and new leases may provide for terms or options for terms to expire beyond the maturity date of the indebtedness secured by this Mortgage, it being understood and agreed that any such leases and the options and other provisions contained therein shall be binding upon Mortgagor, upon all persons whose interests in the Property are subject to the lien of this Mortgage and upon any purchaser or purchasers at any foreclosure sale notwithstanding any redemption from sale, discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser or purchasers at any foreclosure sale, (vi) make all repairs, decorations, renewals, replacements, alterations,

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additions and improvements to the Property as Mortgagee may deem necessary or desirable, (vii) insure and reinsure the Property and all risks incident to the possession, operation, management and control of the Property by Mortgagee and (viii) take such other action for the possession, operation, management and control of the Property as Mortgagee may deem necessary or appropriate.

16. **Assignment of Leases and Rents.** All right, title, and interest of Mortgagor in and to those leases, if any, listed on Exhibit C, attached hereto and made a part hereof, and all present and future leases affecting the Property, written or oral (collectively, "Leases"), and all rents, income, receipts, revenues, issues, avails and profits from or arising out of the Property (collectively "Rents") are hereby transferred and assigned to Mortgagee as further security for the payment of the Secured Indebtedness, and Mortgagor hereby grants a security interest to Mortgagee in and to the same.

Upon an Event of Default, this Mortgage shall constitute a direction to each lessee under the Leases and each guarantor thereof, if any, to pay all Rents directly to Mortgagee without proof of the Event of Default. Mortgagee shall have the authority, as Mortgagor's attorney-in-fact (such authority being coupled with an interest and irrevocable) to sign the name of Mortgagor and to bind Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Property. While this assignment is a present assignment, Mortgagee shall not exercise any of the rights or powers conferred upon it by this Paragraph 16 until an Event of Default shall occur under this Mortgage.

17. **Release.** Upon Mortgagor being prepared to execute and record a mortgage against the Property in connection with the Development Loan as set forth in the Contract, Mortgagee shall release this Mortgage. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

18. **Principal Amount of Mortgage.** At no time shall the principal amount of the indebtedness secured by this Mortgage not including sums advanced for Impositions and insurance premiums or to protect the security of this Mortgage, exceed **Ten Million Dollars (\$10,000,000.00)**.

19. **Compliance with Illinois Mortgage Foreclosure Law.** If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et. seq., as amended (the "Act"), the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act. If any Mortgage provision shall grant to Mortgagee any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of such provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, shall be added to the Secured Indebtedness secured by this Mortgage or by the judgment of foreclosure.

20. **Interpretation.** This Mortgage shall be construed pursuant to the laws of the State of Illinois. The headings of paragraphs in this Mortgage are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions. The use of singular and plural nouns, and masculine, feminine, and neuter pronouns, shall be fully interchangeable, where the context so requires. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this

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Mortgage shall be construed as if such invalid part were never included. Time is of the essence of the payment and performance of this Mortgage.

21. **Waiver of Right of Redemption**. To the full extent permitted by law, Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever 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 any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale or sales 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 or sales 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 marshaling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such right of redemption of Mortgagor, and of all 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, Mortgagor agrees that it will not, by involving 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 Mortgagee, but will suffer and 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, Mortgagor 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 Contract.

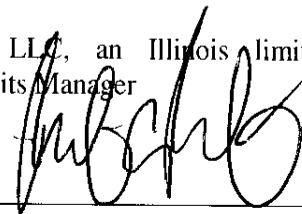
22. **WAIVER OF JURY TRIAL**. MORTGAGOR AND MORTGAGEE WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS MORTGAGE. MORTGAGOR AND MORTGAGEE AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

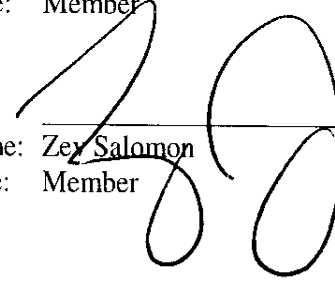
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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date and year first above written.

450 OAK LLC, an Illinois limited liability company

By: Ranquist LLC, an Illinois limited liability company, its Manager

By: 
Name: Robert C. Ranquist, III
Title: Member

By: 
Name: Zey Salomon
Title: Member

DIOVCMKVI009 N CLEVELANDSALEMORTGAGEv5 (DO) - 450 OAK.DOC

Property of Cook County Clerk's Office

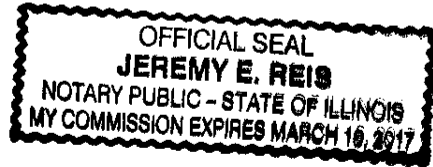
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Jeremy E. Reis, a Notary Public in and for said County in the State aforesaid, do hereby certify that **Robert C. Ranquist III**, personally known to me to be the same person whose name is subscribed to the foregoing instrument as Member of **Ranquist LLC**, an Illinois limited liability company, Manager of **450 OAK, LLC**, an Illinois limited liability company, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal on April 30, 2014.

Jeremy E. Reis
Notary Public

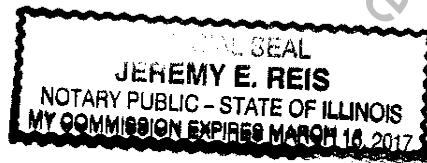


STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Jeremy E. Reis, a Notary Public in and for said County in the State aforesaid, do hereby certify that **Zev Salomon**, personally known to me to be the same person whose name is subscribed to the foregoing instrument as Member of **Ranquist LLC**, an Illinois limited liability company, Manager of **450 OAK, LLC**, an Illinois limited liability company, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal on April 30, 2014.

Jeremy E. Reis
Notary Public



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Exhibit A to Mortgage

Legal Description

PARCEL 2:

A PARCEL OF LAND IN BLOCK 14 IN ROGER'S SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COMPRISING PARTS OF LOTS 3 THROUGH 7, BOTH INCLUSIVE, AND A PART OF LOTS 20 THROUGH 24, BOTH INCLUSIVE, A PART OF THE VACATED NORTH-SOUTH ALLEY IN SAID BLOCK 14, TOGETHER WITH A PART OF THE VACATED WEST 1/2 OF NORTH HUDSON STREET LYING EAST AND ADJOINING SAID BLOCK 14, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID BLOCK 14; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID BLOCK 14 A DISTANCE OF 61.00 FEET TO THE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED; THENCE CONTINUING ALONG SAID WEST LINE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 102.00 FEET TO A POINT; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST A DISTANCE OF 257.73 FEET TO A POINT IN THE CENTERLINE OF VACATED NORTH HUDSON AVENUE; THENCE SOUTH 00 DEGREES 02 MINUTES 54 SECONDS EAST ALONG SAID CENTERLINE A DISTANCE OF 102.00 FEET; THENCE NORTH 89 DEGREES 28 MINUTES 45 SECONDS WEST A DISTANCE OF 257.82 FEET TO A POINT IN THE WEST LINE OF SAID BLOCK 14 AND THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3:

A PARCEL OF LAND IN BLOCK 14 IN ROGER'S SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COMPRISING PARTS OF LOTS 1 THROUGH 3, BOTH INCLUSIVE, PARTS OF LOTS 24 THROUGH 26, BOTH INCLUSIVE, AND A PART OF THE VACATED NORTH-SOUTH ALLEY IN SAID BLOCK 14, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID BLOCK 14; THENCE NORTH 00 DEGREE 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID BLOCK 14 A DISTANCE OF 61.00 FEET TO A POINT; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST A DISTANCE OF 133.98 FEET TO A POINT; THENCE SOUTH 00 DEGREES 31 MINUTES 15 SECONDS WEST A DISTANCE OF 61.00 FEET TO A POINT IN THE SOUTH LINE OF SAID BLOCK BEING ALSO THE NORTH LINE OF WEST OAK STREET; THENCE NORTH 89 DEGREES 28 MINUTES 45 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 133.42 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS, EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE SAID SOUTHWEST CORNER OF BLOCK 14; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST ALONG THE SOUTH LINE OF SAID BLOCK 14, A DISTANCE OF 24.40 FEET TO THE POINT OF BEGINNING OF THE EXCEPTION HEREIN DESCRIBED; THENCE NORTH, PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 52.00 FEET; THENCE EAST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 40.00 FEET; THENCE SOUTH, PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 52.00 FEET TO A POINT ON THE AFORESAID SOUTH LINE OF BLOCK 14; THENCE WEST ALONG THE SAID SOUTH LINE OF BLOCK 14, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

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PARCEL 4:

A PARCEL OF LAND IN BLOCK 14 IN ROGER'S SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COMPRISING PARTS OF LOTS 1 THROUGH 3, BOTH INCLUSIVE, PARTS OF LOTS 24 THROUGH 26, BOTH INCLUSIVE, AND A PART OF THE VACATED NORTH-SOUTH ALLEY IN SAID BLOCK 14, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID BLOCK 14; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST ALONG THE SOUTH LINE OF SAID BLOCK 14, A DISTANCE OF 24.40 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE NORTH, PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 52.00 FEET; THENCE EAST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 40.00 FEET; THENCE SOUTH, PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 52.00 FEET TO A POINT ON THE AFORESAID SOUTH LINE OF BLOCK 14; THENCE WEST ALONG THE SAID SOUTH LINE OF BLOCK 14, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 5:

A PARCEL OF LAND IN BLOCK 14 IN ROGER'S SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COMPRISING PARTS OF LOTS 1 THROUGH 3, BOTH INCLUSIVE, AND A PART OF THE VACATED WEST 1/2 OF NORTH HUDSON STREET LYING EAST AND ADJOINING SAID BLOCK 14, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID BLOCK 14; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST ALONG THE SOUTH LINE OF SAID BLOCK 14 A DISTANCE OF 133.42 FEET TO THE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED; THENCE NORTH 00 DEGREES 31 MINUTES 15 SECONDS EAST A DISTANCE OF 61.00 FEET TO A POINT; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST A DISTANCE OF 123.84 FEET TO A POINT IN THE CENTERLINE OF VACATED NORTH HUDSON AVENUE; THENCE SOUTH 00 DEGREES 02 MINUTES 54 SECONDS EAST ALONG SAID CENTERLINE A DISTANCE OF 61.00 FEET TO A POINT; THENCE NORTH 89 DEGREES 28 MINUTES 45 SECONDS WEST ALONG THE NORTH LINE OF WEST OAK STREET A DISTANCE OF 124.45 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS, EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE SAID SOUTHWEST CORNER OF SAID BLOCK 14; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST ALONG THE SOUTH LINE OF SAID BLOCK 14, A DISTANCE OF 195.86 FEET TO THE POINT OF BEGINNING OF THE EXCEPTION HEREIN DESCRIBED; THENCE NORTH PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 52.00 FEET; THENCE EAST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 40.00 FEET; THENCE SOUTH PERPENDICULAR TO THE LAST DESCRIBED COURSE A DISTANCE OF 52.00 FEET TO A POINT ON THE AFORESAID SOUTH LINE OF BLOCK 14; THENCE WEST ALONG THE SAID SOUTH LINE OF BLOCK 14, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

PARCEL 6:

A PARCEL OF LAND IN BLOCK 14 IN ROGER'S SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COMPRISING PARTS OF LOTS 1 THROUGH 3, BOTH INCLUSIVE, PARTS OF LOTS 24 THROUGH 26, BOTH INCLUSIVE, AND A PART OF THE VACATED NORTH-SOUTH ALLEY IN SAID BLOCK 14, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING

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AT THE SOUTHWEST CORNER OF SAID BLOCK 14; THENCE SOUTH 89 DEGREES 28 MINUTES 45 SECONDS EAST ALONG THE SOUTH LINE OF SAID BLOCK 14, A DISTANCE OF 195.86 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE NORTH PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 52.00 FEET; THENCE EAST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 40.00 FEET; THENCE SOUTH PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 52.00 FEET TO A POINT ON THE AFORESAID SOUTH LINE OF BLOCK 14; THENCE WEST ALONG THE SAID SOUTH LINE OF BLOCK 14, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

PERMANENT INDEX NUMBER(S): PART OF 17-04-320-008-0000

STREET ADDRESS: 450 W. OAK ST., CHICAGO, IL 60610

Property of Cook County Clerk's Office

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Exhibit B to Mortgage

Permitted Encumbrances

GENERAL REAL ESTATE TAXES NOT YET DUE AND PAYABLE AND ANY COOK COUNTY REAL ESTATE TAXES THAT MAY BE IMPOSED PURSUANT TO OMITTED ASSESSMENTS FOR VACATED HUDSON AVENUE

CONDITIONS AND COVENANTS CONTAINED IN DEED FROM PUBLIC BUILDING COMMISSION OF CHICAGO A MUNICIPAL CORPORATION TO 2005-3B, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, RECORDED ON JULY 25, 2013 AS DOCUMENT NO. 1320610034 WHICH ARE AS FOLLOWS:

GRANTEE, ITS SUCCESSORS IN INTEREST AND ASSIGNEES, IF ANY, SHALL BE PROHIBITED TO USE THE PROPERTY FOR KINDERGARTEN THROUGH HIGH SCHOOL (K-12) PURPOSES FOR 40 YEARS FROM THE DATE OF THE DEED UNLESS THIS RESTRICTIVE COVENANT IS RELEASED BY THE CHICAGO BOARD OF EDUCATION. TITLE TO THE PROPERTY WILL AUTOMATICALLY TRANSFER TO AND VEST IN THE CITY OF CHICAGO IN TRUST FOR USE OF SCHOOLS IF THIS RESTRICTIVE COVENANT IS BREACHED WITHOUT THE CHICAGO BOARD OF EDUCATION'S EXPRESS WRITTEN APPROVAL.

WATER MAIN AS DELINEATED ON THE SURVEY MADE BY PROFESSIONALS AND ASSOCIATES SURVEY, INC. DATED MARCH 21, 2014 ALONG THE NORTHERLY PORTION OF THE SUBJECT PROPERTY AND ACCESS THERETO

COMBINED SEWER AS DELINEATED ON THE SURVEY MADE BY PROFESSIONALS AND ASSOCIATES SURVEY, INC. DATED MARCH 21, 2014 AND ACCESS THERETO

TELEPHONE MANHOLE AS DELINEATED ON THE SURVEY MADE BY PROFESSIONALS AND ASSOCIATES SURVEY, INC. DATED MARCH 21, 2014 AND ACCESS THERETO

EASEMENT FROM 450 OAK LLC TO PEOPLES GAS DATED 6/19/2014 AND RECORDED _____ AS DOCUMENT 1417045058

PROFESSIONALS AND ASSOCIATES SURVEY, INC. Cook County Clerks Office

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Exhibit C to Mortgage

Leases


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