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## Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1426610054 Fee: \$98.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 09/23/2014 12:36 PM Pg: 1 of 31

Report Mortgage Fraud  
800-532-8783

The property identified as: PIN: 05-21-313-009-0000

**Address:**

**Street:** 261 WILSON STREET

**Street line 2:**

**City:** WINNETKA

**State:** IL

**ZIP Code:** 60093

**Lender:** MUNEER A. SATTER REVOCABLE TRUST

**Borrower:** MELISSA J BATEMAN AND THOMAS J. BATEMAN

**Loan / Mortgage Amount:** \$600,000.00

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.

S\_ Y  
P\_ 31  
S\_ 2  
SC Y  
INT M ✓

**Certificate number:** 48602061-0B66-40BE-AB0C-30DAAA831A5C

**Execution date:** 07/24/2014

# BOX 333-CTI



ST 5151 58 94. 2/2  
201427500

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This instrument prepared by  
and after recording return to:  
Ross Green, Esq.  
DLA Piper LLP (US)  
203 North LaSalle Street  
Chicago, Illinois 60601

**MORTGAGE AND FIXTURE FILING**

**BETWEEN**

**MELISSA J. BATEMAN AND THOMAS J. BATEMAN, JOINTLY AND SEVERALLY,  
AS MORTGAGOR,**

**AND**

**MUNEER A. SATTER REVOCABLE TRUST, AS MORTGAGEE**

**EFFECTIVE AS OF: JULY 24, 2014**

**LOAN AMOUNT: \$600,000**

**PROPERTY ADDRESS:  
261 Wilson Street  
Winnetka, Illinois 60093**

**PIN: 05-21-313-009-0000**

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Property of Cook County Clerk's Office

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## MORTGAGE AND FIXTURE FILING

THIS MORTGAGE AND FIXTURE FILING is made as of the 24th day of July, 2014 (herein "**Mortgage**") from **MELISSA J. BATEMAN AND THOMAS J. BATEMAN, JOINTLY AND SEVERALLY**, whose mailing address is 261 Wilson Street, Winnetka, Illinois 60093 (herein "**Mortgagor**") to (herein "**Mortgagee**").

MORTGAGOR, in consideration of the indebtedness herein recited, hereby irrevocably grants, mortgages conveys, transfers and assigns to Mortgagee, its successors and assigns, with right of entry and possession, all of Mortgagor's estate, right, title and interest in, to and under that certain real property located in Cook County, Illinois, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "**Land**");

TOGETHER with all of Mortgagor's now or hereafter acquired estate, right, title and interest in, to and under all buildings, structures, improvements and fixtures now existing or hereafter erected on the Land and all right, title and interest, if any, of Mortgagor in and to the streets and roads, opened or proposed, abutting the Land to the center lines thereof, and strips within or adjoining the Land, the air space and right to use said air space above the Land, all rights of ingress and egress on or within the Land, all easements, rights and appurtenances thereto or used in connection with the Land, including, without limitation, all lateral support, alley and drainage rights, all revenues, income, rents, cash or security deposits, advance rental deposits, and other benefits thereof or arising from the use or enjoyment of all or any portion thereof, all options to purchase or lease, all development or other rights relating to the Land or the operation thereof, or used in connection therewith, including all Mortgagor's right, title and interest in all fixtures, attachments, partitions, machinery, equipment, building materials, appliances and goods of every nature whatever now or hereafter located on, or attached to, the Land, all of which, including replacements and additions thereto, shall, to the fullest extent permitted by law and for the purposes of this Mortgage, be deemed to be real property and, whether affixed or annexed thereto or not, be deemed conclusively to be real property; and Mortgagor agrees to execute and deliver, from time to time, such further instruments and documents as may be required by Mortgagee to confirm the legal operation and effect of this Mortgage on any of the foregoing. All of the foregoing property described in this Section (the "**Improvements**") together with the Land, shall be hereinafter referred to as the "**Property**".

MORTGAGOR further hereby grants to Mortgagee a security interest in and assigns, all of Mortgagor's now existing or hereafter acquired right, title and interest in the following (the "**Collateral**"):

(A) All equipment, fixtures, appliances, furnishings, machinery, tools, raw materials, component parts, and materials, and all other tangible personal property of whatsoever kind, used or consumed in the improvement, use or enjoyment of the Property now or any time hereafter owned or acquired by Mortgagor, wherever located and all products thereof whether in possession of Mortgagor or whether located on the Property or elsewhere; and

(B) All Condemnation Proceeds (including payments in lieu thereof) and Insurance Proceeds related to the Property;

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TOGETHER with all additions to, substitutions for and the products of all of the above, and all proceeds therefrom, whether cash proceeds or noncash proceeds, received when any such property (or the proceeds thereof) is sold, exchanged, leased, licensed, or otherwise disposed of, whether voluntarily or involuntarily. Such proceeds shall include any of the foregoing specifically described property of Mortgagor acquired with cash proceeds.

The personal property in which Mortgagee has a security interest includes goods which are or shall become fixtures on the Property. This Mortgage is intended to serve as a fixture filing pursuant to the terms of the applicable provisions of the Uniform Commercial Code of the State of Illinois. This filing is to be recorded in the real estate records of the appropriate city, town or county in which the Property is located. In that regard, the following information is provided:

Names of Debtor:	Melissa J. Bateman
	Thomas J. Bateman
Address of Debtor:	See Section 4.03 hereof
Name of Secured Party:	Muneer A. Satter Revocable Trust
Address of Secured Party:	See Section 4.03 hereof.

Mortgagor warrants and agrees that there is no financing statement covering the foregoing Collateral, the Property, or any part thereof, on file in any public office.

**HOWEVER, THIS IS A MORTGAGE, AND IS MADE FOR THE PURPOSE OF SECURING, IN SUCH ORDER OF PRIORITY AS MORTGAGEE MAY ELECT:**

(A) The repayment of the indebtedness evidenced by that certain Mortgage Note of even date herewith with a maturity date of August 1, 2016 executed by Mortgagor and payable to the order of Mortgagee, in the principal amount of SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) (hereinafter referred to as the "Note") with interest thereon, as provided therein and all late charges, loan fees, commitment fees, and all extensions, renewals, modifications, amendments and replacements thereof (the indebtedness evidenced by the Note shall be referred to as the "Loan");

(B) The payment of all other sums which may be advanced by or otherwise be due to Mortgagee under any provision of this Mortgage or under any other instrument or document referred to in clause (C) below, with interest thereon at the rate provided herein or therein;

(C) The performance of each and every covenant, obligation and agreement of Mortgagor contained (i) herein, in the Note, or in any note evidencing a Future Advance (as hereinafter defined) and (ii) all instruments of indebtedness or security now or hereafter executed by Mortgagor in connection with any indebtedness referred to in clauses (A), (B) or (D) of this Section or for the purpose of supplementing or amending this Mortgage or any instrument secured hereby (all of the foregoing in this clause (C), as the same may be amended, modified or supplemented from time to time, being referred to hereinafter as "Related Agreements") and all

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costs and expenses, including reasonable attorneys' fees with respect to all such documents, including, without limitation, the negotiation and drafting of any loan settlement or workout agreement; and

(D) The repayment of any other loans or advances, with interest thereon, hereafter made to Mortgagor (or any successor in interest to Mortgagor as the owner of the Property or any part thereof) by Mortgagee when the promissory note or other instrument evidencing the loan or advance specifically states that said note is secured by this Mortgage, together with all extensions, renewals, modifications, amendments and replacements thereof (herein and in the Related Agreements "Future Advance").

## ARTICLE I

### COVENANTS OF MORTGAGOR

To protect the security of this Mortgage, Mortgagor covenants and agrees as follows:

1.01 **Performance of Obligations Secured.** Mortgagor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, the principal of and interest on any Future Advance, and late charges provided for in the Note or in any note evidencing a Future Advance, and shall further perform fully and in a timely manner all other obligations of Mortgagor contained herein or in the Note or in any note evidencing a Future Advance or in any of the Related Agreements.

1.02 **Insurance.** For all times during the period there remains any indebtedness under the Note, or any and all other indebtedness (including without limitation Future Advances) secured by this Mortgage, Mortgagor shall keep the Property insured against all risks or hazards as Mortgagee may require. Such insurance shall be in policy form, amount and coverage satisfactory to Mortgagee, including, but not limited to:

(A) Fire and extended coverage on an "all risk" replacement cost basis, in an amount equal to the insurable value of the Improvements, without coinsurance or deducting for depreciation, containing a waiver of subrogation clause and a deductible amount acceptable to Mortgagee;

(B) General public liability insurance, in such form, amount and deductible satisfactory to Mortgagee, and naming Mortgagee c/o Mortgagee's servicing agent, if any, as additional insured covering Mortgagee's interest in the Property;

(C) Boiler and machinery insurance when risks covered thereby are present and Mortgagee requires such insurance; and

(D) Earthquake insurance if Mortgagee requires such insurance.

The insurance coverages described in subsections (A), (C) and (D) above shall name Mortgagee and its affiliates, subsidiaries and assignees under a standard noncontributory Mortgagee's Loss Payable and Loss Payee, or otherwise directly insure Mortgagee's interest in the Property. All losses under said insurance shall be payable to Mortgagee in the manner provided in Sections

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1.04 and 1.05 hereof. All policies of insurance required under this Section 1.02 shall be with a company, or companies, with a policy rating of A- and financial rating of at least Class X in the most current edition of Best's Key Rating Guide and authorized to do business in the State of Illinois. If a carrier is downgraded, replacement coverage with an acceptable insurance carrier must be provided within 30 days following such down grade. All policies of insurance shall provide that they will not be canceled or modified without thirty (30) days' prior written notice to Mortgagee (including 10-day notice for cancellation for non-payment of premium). True copies of the above mentioned insurance policies, binders, or evidence of such insurance (Evidence of Insurance Acord Forms acceptable to Mortgagee) shall be delivered to and held by Mortgagee or Mortgagee's agent as authorized by Mortgagee. True copies of all renewal and replacement policies, binders, or evidences of such insurance forms ( Evidence of Insurance Acord Forms acceptable to Mortgagee) shall be delivered to Mortgagee at least thirty (30) days before the expiration of the expiring policies. If any renewal or replacement policy is not obtained as required herein, Mortgagee is authorized, without notice, to obtain, at Mortgagor's expense, "mortgagee property coverage" for Mortgagee's benefit and interest in the Property. Mortgagee shall not, by obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and Mortgagor hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

## 1.03 Condemnation.

(A) Immediately upon obtaining knowledge of the commencement or threat of any action in connection with (i) any condemnation, (ii) any other taking of the Property or any part thereof by any public authority or private entity having the power of eminent domain, or (iii) any conveyance in lieu of such condemnation or taking of the Property or any part thereof ("Condemnation"), Mortgagor shall notify Mortgagee in writing but in no event later than ten (10) days after Mortgagor obtains knowledge of the commencement of or threat of a Condemnation. Mortgagee shall have the right, but not the obligation, to participate in any proceedings relating to any Condemnation and may, in its sole discretion, consent or withhold its consent to any settlement, adjustment, or compromise of any claims arising from the Condemnation and no such settlement, adjustment or compromise shall be final or binding upon Mortgagee without Mortgagee's prior consent.

(B) If all or part of the Property is taken by Condemnation, then all proceeds of the Condemnation ("Condemnation Proceeds") shall be paid over to Mortgagee and shall be applied first toward reimbursement of the costs and expenses (including reasonable attorneys' fees) of Mortgagee, if any, in connection with the recovery of such Condemnation Proceeds, and then, shall be applied against all principal and accrued but unpaid interest under the Note, and against any other amounts due herein or under the Note and any remaining Condemnation Proceeds shall be released to the Mortgagor.

## 1.04 Damage to Property.

(A) Promptly upon obtaining knowledge of any damage to the Property or any part thereof with an estimated cost of restoration in excess of \$10,000.00, but in no event



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later than five (5) days after Mortgagor obtains such knowledge, Mortgagor shall notify Mortgagee of such damage in writing. Mortgagor shall diligently restore the Property to the same condition that existed immediately prior to the damage whether or not Insurance Proceeds are sufficient for such restoration. All proceeds of any insurance on the Property ("**Insurance Proceeds**") received by Mortgagor shall be applied to such restoration. Mortgagee shall have the right to obtain an opinion of an independent contractor or engineer satisfactory to Mortgagee, at Mortgagor's expense, to estimate the cost to restore the Property to its original condition, which opinion may be revised as restorations are made. If the amount of the Insurance Proceeds is not sufficient to restore the Property based on an independent contractor's or engineer's opinion, subject to revision as restorations are made, Mortgagor shall be obligated to pay the difference toward the restoration of the Property, prior to the application of any Insurance Proceeds to such restoration as provided herein.

(B) Mortgagee shall have the right, but not the obligation, to participate in the settlement of the insurance claims and may, in its sole discretion, consent or withhold its consent to any settlement, adjustment, or compromise of such insurance claims and no such settlement, adjustment, or compromise shall be final or binding upon Mortgagee without its prior consent. Upon settlement of insurance claims, and if Mortgagor can demonstrate to the reasonable satisfaction of Mortgagee that: (i) the Property can be legally rebuilt to the same use and substantially the same condition as existed prior to the casualty in compliance with all applicable current zoning laws, all current leases, and, if applicable, any other agreements or easements affecting the Property, and (ii) the Mortgagor has access to sufficient funds, including Insurance Proceeds, to complete the restoration of the Property, the Insurance Proceeds shall be deposited into an escrow fund in accordance with Section 1.05 below.

(C) If in the reasonable judgment of Mortgagee the conditions of Section 1.04(B) cannot be satisfied or if the estimated cost of restoration is equal to or greater than 10% of the outstanding balance of the Note or the casualty occurs less than twelve (12) months prior to the scheduled maturity of the Loan, then at any time from and after the occurrence of the damage, upon written notice to Mortgagor, Mortgagee may declare the entire balance of the Note and/or any Future Advances then outstanding and accrued and unpaid interest thereon, and all other sums or payments required thereunder or under this Mortgage, to be immediately due and payable, and all Insurance Proceeds shall be applied by Mortgagee first to the reimbursement of any costs or expenses incurred by Mortgagee in connection with the damage or the determination to be made hereunder, and then to the payment of the indebtedness secured by this Mortgage in such order as Mortgagee may determine in its sole discretion.

(D) Notwithstanding any provision herein to the contrary, if an Event of Default exists at any time from the time of damage through the completion of restoration and the final release of any Insurance Proceeds to Mortgagor, the use of the Insurance Proceeds shall be governed by the remedies set forth in Article III below. If an event has occurred which with notice, the passage of time, or both, could become an Event of Default, then the Insurance Proceeds shall be held by Mortgagee or in the Escrow Fund, as applicable, pending cure of such event prior to the expiration of any applicable cure or

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grace period. The application of any Insurance Proceeds to the indebtedness secured hereby shall not cure or waive any Event of Default hereunder or invalidate any act done pursuant to any notice thereof.

## 1.05 Escrow Fund for Insurance Proceeds.

(A) Subject to Section 1.04(C), in the circumstances indicated above in subsection 1.04(B), all Insurance Proceeds ("**Proceeds**") shall be deposited in an interest bearing escrow fund ("**Escrow Fund**"). The escrow agent and the form of the escrow agreement shall be satisfactory to Mortgagee and Mortgagor. The costs and fees of such escrow agent shall be paid by Mortgagor. If the amount of the Proceeds is not sufficient to restore the Property based on an independent contractor's or engineer's opinion obtained by Mortgagee at Mortgagor's expense, subject to revision as restorations are made, Mortgagor shall be obligated to deposit in the Escrow Fund the difference between the contractor's or engineer's estimate and the amount of the Proceeds or deliver to the escrow agent an irrevocable, unconditional letter of credit issued in the amount of such difference in a form and by a financial institution acceptable to Mortgagee or other cash equivalent acceptable to Mortgagee. The Mortgagor's funds, if necessary, and the Proceeds shall be deposited into the Escrow Fund and shall not be released by the escrow agent unless used to restore the Property to its original condition and unless a disbursement agent satisfactory to Mortgagee and Mortgagor approves such disbursements from time to time. The escrow agreement shall provide that the escrow agent shall only disburse funds to Mortgagor so long as the restoration work is being diligently performed by Mortgagor and only after: (i) Mortgagor has delivered to Mortgagee and Mortgagee has approved the plans and specifications for the restoration of the Property; (ii) Mortgagor has executed a contract acceptable to Mortgagee with a general contractor acceptable to Mortgagee for the restoration of the Property; (iii) the general contractor has submitted lien waivers and/or releases, executed by the general contractor and all subcontractors which may be partial to the extent of partial payments and which, in the case of releases, may be contingent upon payment if the escrow agent makes payment directly to such contractor or subcontractor; (iv) Mortgagor has furnished Mortgagee with an endorsement to its title policy showing no additional exceptions; and (v) Mortgagor has deposited its funds in the Escrow Fund as provided in this paragraph and has submitted such other documents and information as may be requested by Mortgagee to determine that the work to be paid for has been performed in accordance with the plans and specifications approved by Mortgagee. If any requisition for payment of work performed is for an amount which would result in the remaining balance of the Escrow Fund to be insufficient to complete the remainder of the restoration, Mortgagor shall advance the requisite amount in cash to the Escrow Fund immediately upon written request from the disbursement agent or Mortgagee. Any failure by Mortgagor to satisfy any of the conditions to the disbursement of Proceeds set forth in this Paragraph upon demand by Mortgagee shall constitute a Performance Default, as hereinafter defined.

(B) Any Proceeds and any interest thereon remaining in the Escrow Fund after payment of the costs to complete the restoration of the Property pursuant to the approved plans and specifications and the costs of the escrow agent shall be paid first, to Mortgagor to the extent of any funds of Mortgagor's contributed to the restoration pursuant to

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Section 1.05, provided there is no Event of Default or an event which with notice, the passage of time, or both, could become an Event of Default, and thereafter at Mortgagee's option, any remaining Proceeds may be applied to the prepayment of the Note without payment of any Prepayment Premium. Full or partial prepayment of the Note under the preceding sentences of this Section 1.05B shall not be subject to the Prepayment Premium; however, any such partial prepayment shall not entitle Mortgagor to prepay the portion of the Note remaining unpaid after application of the Proceeds. Prepayment of the balance shall continue to be subject to the terms and conditions of the Note, including the No-Prepayment Period and the Prepayment Premium described therein. If an Event of Default exists, the use of the Proceeds shall be governed by Article III below. If, however, an event exists which with notice, the passage of time, or both, could become an Event of Default, the remaining balance in the Escrow Fund shall be held by the escrow agent pending cure of the event prior to the expiration of any applicable cure or grace period.

1.06 **Taxes, Liens and other Items.** Mortgagor shall pay any and all taxes, bonds, assessments, fees, liens charges, fines, and any accrued interest or penalty thereon, and any and all other items which are attributable to or affect the Property (collectively, "Impositions") by making payment prior to delinquency directly to the payee thereof and promptly furnish copies of paid receipts for these to Mortgagee. Mortgagor shall promptly discharge or bond any lien or encumbrance on the Property whether or not said lien or encumbrance has or may attain priority over this Mortgage. This Mortgage shall be the sole encumbrance on the Property and, if with the consent of Mortgagee it is not the sole encumbrance, then it shall be prior to any and all other liens or encumbrances on the Property. Mortgagor may in good faith and with due diligence protest the payment of any Imposition which it believes unwarranted or excessive and may defer payment of such Imposition pending conclusion of such contest if legally permitted to do so, provided that the priority of this Mortgage and Mortgagee's security is not adversely affected and that Mortgagor shall have furnished Mortgagee or the taxing authority such security as may be required.

1.07 **Due on Sale, Encumbrance or Leasing.** Mortgagor shall not, without the prior written consent of Mortgagee: (i) create, effect, consent to, suffer to exist, assume, incur, permit (voluntarily or involuntarily, by operation of law or otherwise) any direct or indirect conveyance, sale, assignment, transfer, grant, lien, pledge, mortgage, security interest or other encumbrance or disposition (each of the foregoing defined as "Transfer") of the Property or an interest therein; (ii) be divested of its title to the Property or any interest therein; (iii) enter into a contract to sell or grant any option to purchase that results in a transfer of possession or equitable title to the Property or any portion thereof prior to the payment of the Note in full in accordance with its terms; or (iv) enter into any lease, license or occupancy agreement ("Lease") with respect to the Property or any portion thereof. Upon the occurrence of any of the prohibited actions specified herein, then Mortgagee shall have the right, at its option, to declare the indebtedness secured by this Mortgage immediately due and payable, irrespective of the maturity date specified in the Note.

1.08 **Preservation and Maintenance of Property.** Mortgagor, at its sole cost and expense, shall keep the Property and every part thereof in good condition and repair, in such a fashion that the value and utility of the Property will not be diminished and shall promptly and

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faithfully comply with and obey all laws, ordinances, rules, regulations, requirements and orders of every duly constituted governmental authority or agent having jurisdiction with respect to the Property. Mortgagor shall not permit or commit any waste, impairment, or deterioration of the Property, nor commit, suffer or permit any act upon or use of the Property in violation of law or applicable order of any governmental authority, whether now existing or hereafter enacted, or in violation of any covenants, conditions or restrictions affecting the Property or bring or keep any article in the Property or cause or permit any condition to exist thereon which would be prohibited by or invalidate the insurance coverage required to be maintained hereunder. Mortgagor shall promptly bond or discharge any mechanics' liens against the Property.

1.09 **Use of Property.** Except as may have been previously agreed in writing by Mortgagee, Mortgagor shall use and occupy the Property solely as its principal residence. Mortgagor shall at all times comply with all laws affecting the Property and comply with any instruments of record at the time in force affecting the Property or any part thereof and shall procure, maintain and comply with all permits, licenses, and other authorizations required for any use of the Property or any part thereof then being made, and for the proper erection, installation, operation and maintenance of the Improvements or any part thereof. Mortgagor will not, by act or omission, (i) impair the integrity of the Property as a single zoning lot separate and apart from all other premises; or (ii) permit or suffer to permit the Property to be used by the public or any party in such manner as might make possible a claim of adverse usage or possession or any implied dedication or easement. If under applicable zoning provisions the use of all or any portion of the Property is or shall become a nonconforming use, Mortgagor will not cause or permit such nonconforming use to be discontinued or abandoned without the express written consent of Mortgagee.

1.10 **Alterations and Additions.** Mortgagor shall not cause, suffer or permit:

- (A) Any material alterations of the Property;
- (B) Any demolition or removal of any portion of the Property;
- (C) Any change which would increase the risk of fire or other hazard;
- (D) Any zoning, reclassification with respect to the Property; or
- (E) Any unlawful use of, or nuisance to exist upon, the Property.

As used herein, the term "**material alteration**" shall mean any alteration, improvement or replacement (i) the cost of which (including any related alteration, improvement or replacement) shall exceed five percent (5%) of the principal amount of the indebtedness secured by this Mortgage, or (ii) which materially and adversely affects the mechanical, electrical, heating, ventilating, air-conditioning or other building or operating systems of any of the Improvements, or materially affects the cost of operation or maintenance of any such building or operating systems, affects the structure or structural soundness of any of the improvements of the Property, or the exterior or appearance of the Property, or otherwise has a material adverse effect on the Property including the use and/or value thereof.

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1.11 **Offset Certificates.** Mortgagor, within three (3) days upon request in person or within ten (10) days upon request by mail, shall furnish a written statement duly acknowledged and notarized, of all amounts due on any indebtedness secured hereby or secured by any of the Related Agreements, whether for principal or interest on the Note or otherwise, and stating whether any offsets or defenses exist against the indebtedness secured hereby and covering such other matters with respect to any such indebtedness as Mortgagee may reasonably require.

1.12 **Mortgagee's Costs and Expenses.** Mortgagor shall pay all costs, fees and expenses of Mortgagee, its agents and counsel, in connection with the performance of its duties hereunder.

1.13 **Protection of Security; Costs and Expenses.**

(A) In addition to any other rights or remedies of Mortgagee hereunder, under any of the Related Agreements, or in law or in equity, upon the occurrence and during the existence of an Event of Default (or prior thereto after notice to Mortgagor, when possible, if Mortgagor is not paying or performing the act itself and Mortgagee determines in its sole good faith judgment that the same is appropriate to preserve the Property or the lien of this Mortgage or any other collateral securing the indebtedness evidenced by the Note, either before or after acceleration of the indebtedness) Mortgagee may, but shall not be required to, make any payment or perform any act required to be performed by Mortgagor hereunder or under any of the Related Agreements in any form and manner deemed expedient to Mortgagee, including, without limitation, if applicable: (i) paying any Impositions which remain unpaid; (ii) procuring the release, discharge, compromise or settlement of any lien filed or otherwise asserted against the Property which has not been discharged by Mortgagor in accordance with the provisions of this Mortgage or any of the Related Agreements; and (iii) obtaining insurance policies where insurance coverage was required to be obtained hereunder and the required evidence that Mortgagor had obtained the same has not been delivered to Mortgagee as required hereunder. Nothing herein shall be construed to require Mortgagee to advance or expend monies for any purpose mentioned herein, or for any other purpose.

(B) Mortgagor shall appear in and defend any action or proceeding purporting to affect the security of this Mortgage or any additional or other security for the obligations secured hereby, or the rights or powers of Mortgagee, and shall pay all costs and expenses actually incurred, including, without limitation, cost of evidence of title and actual attorneys' fees, in any such action or proceeding in which Mortgagee may appear, and in any suit brought by Mortgagee to foreclose this Mortgage or to enforce or establish any other rights or remedies of Mortgagee hereunder or under any other security for the obligations secured hereby. If Mortgagor fails to perform any of the covenants or agreements contained in this Mortgage, or if any action or proceeding is commenced which affects Mortgagee's interest in the Property or any part thereof, including, eminent domain, code enforcement, or proceedings of any nature whatsoever under any federal or state law, whether now existing or hereafter enacted or amended, relating to bankruptcy, insolvency, arrangement, reorganization or other form of debtor relief, or to a decedent, then Mortgagee may, but without obligation to do so and without notice to or demand upon Mortgagor, perform such covenant or agreement and compromise any

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encumbrance, charge or lien which in the judgment of Mortgagee appears to be prior or superior hereto. Mortgagor shall further pay all expenses of Mortgagee actually incurred (including reasonable and actual fees and disbursements of counsel) incident to the protection or enforcement of the rights of Mortgagee hereunder, and enforcement or collection of payment of the Note or any Future Advance whether by judicial or nonjudicial proceedings, or in connection with any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding of Mortgagor, or otherwise.

Any amounts disbursed by Mortgagee pursuant to this Section or Section 1.12, including, without limitation, reasonable attorneys' fees, whether or not the indebtedness as a result thereof shall exceed the face amount of the Note, shall be additional indebtedness of Mortgagor secured by this Mortgage and each of the Related Agreements as of the date of disbursement shall become immediately due and payable on demand and shall bear interest at the Default Rate set forth in the Note, from demand until paid. All such amounts shall be payable by Mortgagor immediately upon demand. Nothing contained in this Section shall be construed to require Mortgagee to incur any expense, make any appearance, or take any other action.

1.14 **Further Assurances.** Mortgagor, from time to time, will execute, acknowledge, subscribe and deliver to or at the direction of Mortgagee such documents and further assurance as Mortgagee may reasonably require for the purpose of evidencing, perfecting or confirming the lien and security interest created by this Mortgage or the security to be afforded by the Related Agreements, or both. Without limiting the foregoing and notwithstanding anything in this Mortgage or the Related Agreements to the contrary, Mortgagor will defend, indemnify and hold Mortgagee harmless with respect to any suit or proceeding in which the validity, enforceability or priority of any such lien or security interest, or both, is endangered or contested, directly or indirectly. If Mortgagor fails to undertake the defense of any such claim in a timely manner, or, in Mortgagee's sole determination, fails to prosecute such defense with due diligence, then Mortgagee is authorized to take, at the sole expense of Mortgagor, all necessary and proper action in defense of any such claim, including, without limitation, the retention of legal counsel, the prosecution or defense of litigation and the compromise or discharge of claims, including payment of all costs and attorneys' and paralegals' fees. All costs, expenses and losses, if any, so incurred by Mortgagee, including all attorneys' and paralegals' fees, regardless of whether suit is brought, for all administrative, trial and appellate proceedings, if any, will constitute advances by Mortgagee as provided in Section 1.13 hereinabove.

## **ARTICLE II**

### **EVENTS OF DEFAULT**

Each of the following shall constitute an event of default ("**Event of Default**") hereunder:

#### 2.01 **Monetary and Performance Defaults.**

(A) Failure to make any payment due under the Note or any note evidencing a Future Advance, other than the final payment (which is governed by Section 2.01(B) hereunder), on or before the fourth day after such payment is due, or failure to make any payment due under this Mortgage to Mortgagee or any other party, including without

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limitation, payment of escrow deposits, real estate taxes, ground rents, if any, on or before the date that any such payment is due, or failure to pay any insurance premiums related to the Property in full at least five (5) business days prior to the date any then current policies of insurance are scheduled to lapse; or,

(B) Failure to make the final payment due under the Note or any note or other instrument evidencing a Future Advance when such payment is due whether at maturity, by reason of acceleration, as part of a prepayment or otherwise (the defaults in (A) and (B) of this Section 2.01, hereinafter "**Monetary Default**"); or,

(C) Breach or default in the performance of any of the covenants or agreements of Mortgagor contained herein ("**Performance Default**"), if such Performance Default shall continue for fifteen (15) days or more after written notice to Mortgagor from Mortgagee specifying the nature of the Performance Default; provided, however, that if such Performance Default is of a nature that it cannot be cured within the 15 day period, then Mortgagor shall not be in default if it commences good faith efforts to cure the Performance Default within the 15 day period, demonstrates continuous diligent efforts to cure the Performance Default in a manner satisfactory to Mortgagee and, within a reasonable period, not to exceed 180 days after the date of the original written notice of the Performance Default, completes the cure of such Performance Default. Notwithstanding the foregoing, if the breach or default is one which is defined as an Event of Default elsewhere in this Article II or in the default definition of any Related Agreement, then Mortgagor shall not be entitled to any notice or cure period upon the occurrence of such breach or default except for such notice and cure periods, if any, as may be expressly granted in such other defined Event of Default.

## 2.02 Bankruptcy or Insolvency.

(A) Any court of competent jurisdiction shall sign an order (i) adjudicating Mortgagor bankrupt or insolvent, (ii) appointing a receiver, trustee or liquidator of the Property or of a substantial part of the property of Mortgagor, or (iii) approving a petition for, or effecting an arrangement in bankruptcy, or any other judicial modification or alteration of the rights of Mortgagee or of other creditors of Mortgagor; or

(B) Mortgagor, shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator for it or for any of its property, (ii) as debtor, file a voluntary petition in bankruptcy, or petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it and any proceeding under such law, (iii) admit in writing an inability to pay its debts as they mature, or (iv) make a general assignment for the benefit of creditors; or

(C) An involuntary petition in bankruptcy is filed against Mortgagor and the same is not vacated or stayed within 30 days of the filing date.

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For avoidance of doubt, an Event of Default shall be deemed to have occurred if the circumstances set forth in this Section 2.02 shall occur with respect to either Melissa Bateman, Thomas Bateman, or both of them.

2.03 **Misrepresentation.** Mortgagor makes or furnishes a representation, warranty, statement, certificate, schedule and/or report to Mortgagee in or pursuant to this Mortgage or any of the Related Agreements which is false or misleading in any material respect as of the date made or furnished.

2.04 **Default under Subordinate Loans.** An occurrence of a default under any loan subordinate to this Mortgage which is not an independent default under this Mortgage which results in the commencement of foreclosure proceedings or the taking of any other remedial action under such subordinate loan.

2.05 **Breach of Due on Sale or Encumbrance Provision.** Any occurrence of a prohibited Transfer under Section 1.08 hereof.

## **ARTICLE III**

### **REMEDIES**

Upon the occurrence of any Event of Default, Mortgagee shall have the following rights and remedies set forth in Sections 3.01 through 3.09:

3.01 **Acceleration.** Notwithstanding the stated maturity date in the Note, or any note evidencing any Future Advance, Mortgagee may without notice or demand, declare the entire principal amount of the Note and/or any Future Advances then outstanding and accrued and unpaid interest thereon, and all other sums or payments required thereunder, to be due and payable immediately.

3.02 **Entry; Appointment of a Receiver.** Irrespective of whether Mortgagee exercises the option provided in Section 3.01 above, Mortgagee in person or by agent or by court-appointed receiver may, at its option, without any action on its part being required, without in any way waiving such Event of Default, with or without the appointment of a receiver, or an application therefor:

(A) Take possession of the Property and conduct tests of, manage or hire a manager to manage, lease and operate the Property or any part thereof, on such terms and for such period of time as Mortgagee may deem proper, with full power to make, from time to time, all alterations, renovations, repairs or replacements thereto as may seem proper to Mortgagee;

(B) Exclude Mortgagor, its agents and servants, and all parties claiming under Mortgagor, its agents and servants, wholly from the Property;

(C) Commence, appear in and/or defend any action or proceedings purporting to affect the interests, rights, powers and/or duties of Mortgagee hereunder, whether brought by or against Mortgagor or Mortgagee; and



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(D) Pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of Mortgagee may affect or appear to affect the interest of Mortgagee or the rights, powers and/or duties of Mortgagee hereunder.

Mortgagee, as a matter of right without notice to Mortgagor or anyone claiming under it and without regard to the then value of the Property or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers to take charge of the Property or any portion thereof. Any such receiver or receivers shall have all of the usual and customary powers and duties of receivers in like or similar cases and all of the powers and duties of Mortgagee in case of entry as provided hereinabove, including without limitation, the right to collect and receive rents and profits. Mortgagor for itself and any subsequent owner of the Property hereby waives any and all defenses to the application for such receiver and hereby irrevocably consents to such appointment without notice of any application therefore.

The receipt by Mortgagee of any rents and profits pursuant to this Mortgage after the institution of foreclosure or other proceedings under this Mortgage shall not cure any such Event of Default or affect such proceedings or any sale pursuant thereto.

3.03 **Judicial Action.** Mortgagee may bring an action in any court of competent jurisdiction to foreclose this instrument or to enforce any of the covenants and agreements hereof. The Property may be foreclosed in parts or as an entirety.

3.04 **Mortgagee's Remedies Respecting Collateral.** Mortgagee may realize upon the Collateral, enforce and exercise all of Mortgagor's rights, powers, privileges and remedies in respect of the Collateral, dispose of or otherwise deal with the Collateral in such order as Mortgagee may in its discretion determine, and exercise any and all other rights, powers, privileges and remedies afforded to a secured party under the laws of the State of Illinois as well as all other rights and remedies available at law or in equity.

3.05 **Proceeds of Sales.** The proceeds of any sale made under or by virtue of this Article III, together with all other sums which then may be held by Mortgagee under this Mortgage, whether under the provisions of this Article III or otherwise, shall be applied as follows:

(A) To the payment of the costs, fees and expenses of sale and of any judicial proceedings wherein the same may be made, including the cost of evidence of title in connection with the sale, compensation to Mortgagee, and to the payment of all expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage, together with interest on all advances made by Mortgagee at the interest rate applicable under the Note, but limited to any maximum rate permitted by law to be charged by Mortgagee;

(B) To the payment of any and all sums expended by Mortgagee under the terms hereof, not then repaid, with accrued interest at the Default Rate set forth in the Note, and all other sums (except advances of principal and interest thereon) required to be paid by Mortgagor pursuant to any provisions of this Mortgage, or the Note, or any note or other instrument evidencing any Future Advance, or any of the Related

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Agreements, including, without limitation, all expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage or in connection with the enforcement thereof, together with interest thereon as herein provided; and

(C) To the payment of the entire amount then due, owing or unpaid for principal and interest upon the Note, any notes evidencing any Future Advance, and any other obligation secured hereby, with interest on the unpaid principal at the rate set forth therein from the date of advancement thereof until the same is paid in full; and then

(D) The remainder, if any, to the person or persons, including Mortgagor, legally entitled thereto.

**3.06 Condemnation and Insurance Proceeds.** All Proceeds and any interest earned thereon shall be paid over either by the condemning authority, insurance company or escrow agent to Mortgagee and shall be applied first toward reimbursement of the costs and expenses of Mortgagee (including reasonable attorneys' fees), if any, in connection with the recovery of such Proceeds, and then shall be applied in the sole and absolute discretion of Mortgagee and without regard to the adequacy of its security under this Mortgage:

(A) to the payment or prepayment of all or any portion of the Note;

(B) to the reimbursement of expenses incurred by Mortgagee in connection with the restoration of the Property; or

(C) to the performance of any of the covenants contained in this Mortgage as Mortgagee may determine.

**3.07 Waiver of Marshalling, Rights of Redemption, Homestead and Valuation.**

(A) Mortgagor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant hereto and to have any of the Property and/or any other property now or hereafter constituting security for any of the indebtedness secured hereby marshalled upon any foreclosure of this Mortgage or of any other security for any of said indebtedness.

(B) To the fullest extent permitted by law, Mortgagor, for itself and all who may at any time claim through or under it, hereby expressly waives, releases and renounces all rights of redemption from any foreclosure sale, all rights of homestead, exception, monitoring reinstatements, forbearance, appraisalment, valuation, stay and all rights under any other laws which may be enacted extending the time for or otherwise affecting enforcement or collection of the Note, the debt evidenced thereby, or this Mortgage.

**3.08 Additional Provisions.** If any conflict or inconsistency exists between this Section 3.08 and the other terms and provisions of this Mortgage, this Section 3.08 shall govern.

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(A) **Protective Advances.** Without limitation on anything contained in this Mortgage, all advances, disbursements and expenditures made by Mortgagee before and during a foreclosure of this Mortgage, and before and after a judgment of foreclosure, and at any time prior to sale of the Property, and, where applicable, after sale of the Property and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15-1101 *et seq.* (the "Act"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act referred to below (collectively, "**Protective Advances**"):

(i) all advances by Mortgagee in accordance with the terms of this Mortgage to: (A) preserve or maintain, repair, restore or rebuild any improvements upon the Property; (B) preserve the lien of this Mortgage or the priority thereof; or (C) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Act;

(ii) payments by Mortgagee of: (A) when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance on the Property; (B) when due installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Property or any part hereof; (C) other obligations authorized by this Mortgage; or (D) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 15-1505 of the Act;

(iii) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any prior liens;

(iv) reasonable attorneys' fees and other expenses incurred: (A) in connection with the foreclosure of this Mortgage as referred to in Section 15-1504(d)(2) and 15-1510 of the Act; (B) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (C) in the preparation for the commencement or defense of any such foreclosure or other action;

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

(vi) expenses deductible from proceeds of sale as referred to in subsections (a) and (b) of Section 15-1512 of the Act;

(vii) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (A) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if

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reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining existing insurance in effect at the time any receiver or mortgagee takes possession of the Property as imposed by subsection (c)(1) of Section 15-1704 of the Act; (B) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (C) payments required or deemed by Mortgagee to be for the benefit of the Property or required to be made by the owner of the Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Property; (D) costs incurred by Mortgagee for demolition, preparation for and completion of construction; and (E) pursuant to any lease or other agreement, for occupancy of the Property.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Rate set forth in the Note. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to subsection (b) of Section 15-1302 of the Act. All Protective Advances shall, except to the extent, if any, that any of the same are clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (A) determination of the amount of indebtedness secured by this Mortgage at any time; (B) the amount of the indebtedness found due and owing to Mortgagee in a judgment of foreclosure and any subsequent, supplemental judgments, orders, adjudications or findings by any court of any additional indebtedness becoming due after such entry of judgment (it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose); (C) if right of redemption is deemed not to be waived by this Mortgage, computation of any amounts required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5-1603 of the Act; (D) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act; (E) application of income in the hands of any receiver or Mortgagee in possession; and (F) computation of any deficiency judgment pursuant to subsections (b) (2) and (e) of Sections 15-1508 and 15-1511 of the Act.

(B) **Waiver of Right of Redemption and Reinstatement.** Without limiting the generality of Section 3.07 of this Mortgage, the waiver by Mortgagor of its rights of redemption and reinstatement in such Section, include the waiver of such rights as provided under Sections 15-1601 and 15-1602 of the Act.

(C) **Statutory Exemption.**

(i) Mortgagor acknowledges and agrees that (A) the indebtedness secured hereby constitutes a loan secured by real estate within the purview of and as contemplated by Section 4(1) of the Illinois Interest Act (815 ILCS 205/0.01 *et seq.*); and (B) the secured indebtedness is an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. Sec. 1601 *et seq.*

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(ii) Without limiting the generality of anything contained herein, Mortgagor acknowledges and agrees that the transaction of which this Mortgage is part is a transaction which does not include agricultural real estate.

(D) **Maximum Principal Amount/Future Advances.** This Mortgage shall secure the payment of any amounts advanced from time to time under the Note and any Related Agreements, or under other documents stating that such advances are secured hereby. This Mortgage also secures any and all future obligations and indebtedness arising under or in connection with this Mortgage, which future obligations and indebtedness shall have the same priority as if all such future obligations and indebtedness were made on the date of execution hereof. Nothing in this Section or in any other provision of this Mortgage shall be deemed an obligation on the part of Mortgagee to make any future advances of any sort. At all times, regardless of whether any Loan proceeds have been disbursed, this Mortgage shall secure (in addition to any Loan proceeds disbursed from time to time) the payment of any and all expenses and advances due to or incurred by Mortgagee in connection with the indebtedness to be secured hereby and which are to be reimbursed by Mortgagor under the terms of this Mortgage; provided, however, that in no event shall the total amount of Loan proceeds disbursed plus such additional amounts exceed \$2,500,000.

(E) **Mortgagee in Possession.** In addition to any provision of this Mortgage authorizing the Mortgagee to take or be placed in possession of the Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in possession of the Property or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all powers, immunities, and duties as provided for in Sections 15-1701 and 15-1703 of the Act.

(F) **Illinois Mortgage Foreclosure Act.** It is the express intention of Mortgagee and Mortgagor that the rights, remedies, powers and authorities conferred upon Mortgagee pursuant to this Mortgage shall include all rights, remedies, powers and authorities that a mortgagor may confer upon a mortgagee under the Act and/or as otherwise permitted by applicable law, as if they were expressly provided for herein. In the event that any provisions in this Mortgage are deemed inconsistent with any provision in 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. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of such provisions, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

(G) **Collateral Protection Act.** Pursuant to the requirements of the Illinois Collateral Protection Act, Mortgagor is hereby notified as follows:

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Unless the Mortgagor provides Mortgagee with evidence of the insurance coverage required by this Mortgage or any Related Agreement, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interest in the Property or any other collateral for the Loan. This insurance may, but need not protect Mortgagor's interests. The coverage Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Property or any other collateral for the Loan. Mortgagor may later cancel any insurance purchased by Mortgagee but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this Mortgage or any Related Agreement. If Mortgagee purchases insurance for the Property or any other collateral for the Loan, Mortgagor will be responsible for the costs of that insurance, including interest in any other charges that Mortgagee may lawfully impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be more than the cost of insurance that Mortgagor may be able to obtain on its own and may be added to the indebtedness and future obligations secured hereunder.

(H) **Maturity Date.** The indebtedness secured by this Mortgage shall be due and payable in full on or before August 1, 2016.

3.09 **Remedies Cumulative** No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of Mortgagee to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any Event of Default or any acquiescence therein. Every power and remedy given by this Mortgage to Mortgagee may be exercised separately, successively or concurrently from time to time as often as may be deemed expedient by Mortgagee. If there exists additional security for the performance of the obligations secured hereby, Mortgagee, at its sole option, and without limiting or affecting any of its rights or remedies hereunder, may exercise any of the rights and remedies to which it may be entitled hereunder either concurrently with whatever rights and remedies it may have in connection with such other security or in such order as it may determine. Any application of any amounts or any portion thereof held by Mortgagee at any time as additional security or otherwise, to any indebtedness secured hereby shall not extend or postpone the due dates of any payments due from Mortgagor to Mortgagee hereunder or under the Note, any Future Advance, or under any of the Related Agreements, or change the amounts of any such payments or otherwise be construed to cure or waive any default or notice of default hereunder or invalidate any act done pursuant to any such default or notice.

## **ARTICLE IV**

### **MISCELLANEOUS**

4.01 **Severability.** In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but

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this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, but only to the extent that it is invalid, illegal or unenforceable.

## 4.02 Certain Charges and Brokerage Fees.

(A) Mortgagor agrees to pay Mortgagee for each written statement requested of Mortgagee as to the obligations secured hereby, furnished at Mortgagor's request. Mortgagor further agrees to pay the charges of Mortgagee for any other service rendered Mortgagor, or on its behalf, connected with this Mortgage or the indebtedness secured hereby, including, without limitation, the delivery to an escrow holder of a request for full or partial release or reconveyance of this Mortgage, transmittal to an escrow holder of moneys secured hereby, changing its records pertaining to this Mortgage and indebtedness secured hereby to show a new owner of the Property, and replacing an existing policy of insurance held hereunder with another such policy.

(B) Mortgagor agrees to indemnify and hold Mortgagee harmless from any responsibility and/or liability for the payment of any commission charge or brokerage fees to anyone which may be payable in connection with the funding of the loan evidenced by the Note and this Mortgage or refinancing of any prior indebtedness, if applicable, based upon any action taken by Mortgagor. It is understood that any such commission charge or brokerage fees shall be paid directly by Mortgagor to the entitled parties.

## 4.03 Notices.

(A) All notices expressly provided hereunder to be given by Mortgagee to Mortgagor and all notices, demands and other communications of any kind or nature whatever which Mortgagor may be required or may desire to give to or serve on Mortgagee shall be in writing and shall be (i) hand-delivered, effective upon receipt, (ii) sent by United States Express Mail or by private overnight courier, effective upon receipt, or (iii) served by certified mail, to the appropriate address set forth below, or at such other place as Mortgagor or Mortgagee, as the case may be, may from time to time designate in writing by ten (10) days prior written notice thereof. Any such notice or demand served by certified mail, return receipt requested, shall be deposited in the United States mail, with postage thereon fully prepaid and addressed to the party so to be served at its address above stated or at such other address of which said party shall have theretofore notified in writing, as provided above, the party giving such notice. Service of any such notice or demand so made shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or the expiration of three (3) business days after the date of mailing, whichever is the earlier in time. Any notice required to be given by Mortgagee shall be equally effective if given by Mortgagee's agent, if any.

(B) Mortgagor hereby requests that any notice, demand, request or other communication (including any notice of an Event of Default and notice of sale as may be required by law) desired to be given or required pursuant to the terms hereof be addressed to Mortgagor as follows:

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Melissa J. Bateman  
 Thomas J. Bateman  
 261 Wilson Street  
 Winnetka, Illinois 60093

All notices and other  
 communications to Mortgagee  
 shall be addressed as follows:

Muneer A. Satter Revocable Trust  
 c/o Satter Investment Management, LLC  
 676 North Michigan Avenue  
 Chicago, Illinois 60611  
 Attention: Muneer A. Satter

with a copy to:

DLA Piper LLP (US)  
 203 North LaSalle Street  
 Suite 1900  
 Chicago, Illinois 60601  
 Attention: Ross Green, Esq.

#### 4.04 Mortgagor Not Released; Certain Mortgagee Acts.

(A) Extension of the time for payment or modification of the terms of payment of any 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 Mortgagor. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify the terms of payment of the sums secured by this Mortgage, by reason of any demand made by Mortgagor. Without affecting the liability of any person, including Mortgagor, for the payment of any indebtedness secured hereby, or the legal operation and effect of this Mortgage on the remainder of the Property for the full amount of any such indebtedness and liability unpaid, Mortgagee is empowered as follows: Mortgagee may from time to time and without notice (i) release any person liable for the payment of any of the indebtedness; (ii) extend the time or otherwise alter the terms of payment of any of the indebtedness; (iii) accept additional real or personal property of any kind as security therefor, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; or (iv) alter, substitute or release any property securing the indebtedness.

(B) Mortgagee may, at any time, and from time to time, (i) consent to the making of any map or plat of the Property or any part thereof; (ii) join in granting any easement or creating any restriction thereon; (iii) join in any subordination or other agreement affecting this Mortgage or the legal operation and effect or charge hereof; or (iv) release or reconvey, without any warranty, all or part of the Property from the lien of this Mortgage.

4.05 Inspection. Upon reasonable prior notice and subject to the rights of tenants under the Leases, Mortgagee may at any reasonable time make or cause to be made entry upon and make inspections, reappraisals, surveys, construction and environmental testing of the Property or any part thereof in person or by agent, and if Mortgagee has a reasonable basis to



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believe that Mortgagor is in breach of any covenant of this Mortgage in regard to the Property, the cost of any such inspection shall be borne by the Mortgagor.

4.06 **Release or Reconveyance or Cancellation.** Upon the payment in full of all sums secured by this Mortgage, Mortgagee shall cancel this Mortgage and release or reconvey the Property and shall surrender this Mortgage and all notes evidencing indebtedness secured by this Mortgage to Mortgagee. The duly recorded release or reconveyance of the Property shall constitute a reassignment of the Leases by the Mortgagee to the Mortgagor. Such person or persons shall pay all fees of Mortgagee and costs of recordation, if any. The recitals in such release or reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

4.07 **Statute of Limitations.** Mortgagor hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to any and all obligations secured by this Mortgage.

4.08 **Interpretation.** Wherever used in this Mortgage, unless the context otherwise indicates a contrary intent, or unless otherwise specifically provided herein, the word "Mortgagor" shall mean and include both Mortgagor and any subsequent owner or owners of the Property, and the word "Mortgagee" shall mean and include not only the original Mortgagee hereunder but also any future owner and holder, including pledgees, of the Note or other obligations secured hereby. In this Mortgage, the Note and the Related Agreements, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the neuter includes the feminine and/or masculine, and the singular number includes the plural. In this Mortgage, the Note and the Related Agreements, the use of the word "including" shall not be deemed to limit the generality of the term or clause to which it has reference, whether or not non-limiting language (such as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto.

4.09 **Captions.** The captions and headings of the Articles and sections of this Mortgage, the Note and the Related Agreements are for convenience only and are not to be used to interpret, define or limit the provisions hereof.

4.10 **Consent.** The granting or withholding of consent by Mortgagee to any transaction as required by the terms hereof shall not be deemed a waiver of the right to require consent to future or successive transactions. Mortgagor covenants and agrees to reimburse Mortgagee promptly on demand for all legal and other expenses incurred by Mortgagee or its servicing agent in connection with all requests by Mortgagor for consent or approval under this Mortgage.

4.11 **Delegation to Subagents.** Wherever a power of attorney is conferred upon Mortgagee hereunder, it is understood and agreed that such power is conferred with full power of substitution, and Mortgagee may elect in its sole discretion to exercise such power itself or to delegate such power, or any part thereof, to one or more subagents.

4.12 **Successors and Assigns.** All of the grants, obligations, covenants, agreements, terms, provisions and conditions herein shall run with the land and shall apply to, bind and inure

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to the benefit of, the heirs, administrators, executors, legal representatives, successors and assigns of Mortgagor (but this shall not permit any assignment prohibited hereby) and the endorsees, transferees, successors and assigns of Mortgagee. In the event Mortgagor is composed of more than one party, the obligations, covenants, agreements, and warranties contained herein and in the Related Agreements as well as the obligations arising therefrom are and shall be joint and several as to each such party.

4.13 **Governing Law.** THIS MORTGAGE AND THE RELATED AGREEMENTS ARE INTENDED TO BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF ILLINOIS. MORTGAGOR HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY.

4.14 **Changes in Taxation.** If, after the date of this Mortgage, any law is passed by the state in which the Property is located or by any other governing entity, imposing upon Mortgagee any tax against the Property, or changing in any way the laws for the taxation of mortgages or deeds of trust or debts secured by mortgages or deeds of trust so that an additional or substitute tax is imposed on Mortgagee or the holder of the Note, Mortgagor shall reimburse Mortgagee for the amount of such taxes immediately upon receipt of written notice from Mortgagee. Provided, however, that such requirement of payment shall be ineffective if Mortgagor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty or charge thereby accruing to Mortgagee and if Mortgagor in fact pays such tax prior to the date upon which payment is required by such notice.

4.15 **Maximum Interest Rate.** No provision of this Mortgage or of the Note or of any note evidencing a Future Advance shall require the payment or permit the collection of interest in excess of the maximum non-usurious rate permitted by applicable law. In the event such interest does exceed the maximum legal rate, it shall be canceled automatically to the extent that such interest exceeds the maximum legal rate and if theretofore paid, credited on the principal amount of the Note or, if the Note has been prepaid, then such excess shall be rebated to Mortgagor.

4.16 **Time of Essence.** Time is of the essence of the obligations of Mortgagor in this Mortgage and Related Agreements and each and every term, covenant and condition made herein or therein by or applicable to Mortgagor.

4.17 **Reproduction of Documents.** This Mortgage and all documents relating thereto, specifically excluding the Note but including, without limitation, consents, waivers and modifications which may hereafter be executed, financial and operating statements, certificates and other information previously or hereafter furnished to Mortgagee, may be reproduced by Mortgagee by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and Mortgagee may destroy any original document ("Master") so reproduced. Mortgagor agrees and stipulates that any such reproduction is an original and shall be admissible in evidence as the Master in any judicial or administrative proceeding (whether or not the Master is in existence and whether or not such reproduction was made or preserved by Mortgagee in the regular course of business) and any enlargement, facsimile or further reproduction of such a reproduction shall be no less admissible.

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4.18 **No Oral Modifications.** This Mortgage may not be amended or modified orally, but only by an agreement in writing signed by the party against whom enforcement of any amendment or modification is sought.

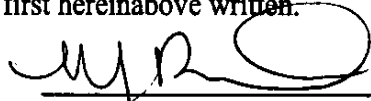
Signatures on Following Page(s)

**COOK COUNTY**  
**RECORDER OF DEEDS**  
**SCANNED BY \_\_\_\_\_**


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IN WITNESS WHEREOF, the undersigned have executed this Mortgage and Fixture Filing, jointly and severally, as of the day and year first hereinabove written.

  
\_\_\_\_\_  
Melissa J. Bateman

  
\_\_\_\_\_  
Thomas J. Bateman

SUBSCRIBED AND AFFIRMED, OR SWORN TO BEFORE  
ME IN THE COUNTY OF El Paso STATE OF  
COLORADO THE 17 DAY OF July 18 2014  
  
\_\_\_\_\_  
NOTARY PUBLIC STATE OF COLORADO  
My Commission Expires 05/08/2018

**ADRIAN ESPINOZA**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
**NOTARY ID 20144019045**  
**MY COMMISSION EXPIRES 05/08/2018**

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STATE OF COLORADO    )  
   )     SS.  
 COUNTY OF                    )

I, Adrian Espinoza a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that Melissa J. Bateman, 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 she signed and delivered said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 17 day of July, 2014

Adrian Espinoza  
 \_\_\_\_\_  
 Notary Public

**ADRIAN ESPINOZA**  
 NOTARY PUBLIC  
 STATE OF COLORADO  
 NOTARY ID 20144019145  
 MY COMMISSION EXPIRES 06/08/2018

My Commission expires: 06/08/2018

# UNOFFICIAL COPY

STATE OF COLORADO )  
 ) SS.  
 COUNTY OF )

I, Adrian Espinoza, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that Thomas J. Bateman, 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 said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 17 day of July, 2014

**ADRIAN ESPINOZA**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
**NOTARY ID 20144019015**  
**MY COMMISSION EXPIRES 08/08/2018**

Adrian Espinoza  
 Notary Public

My Commission expires: 05/08/2018

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## EXHIBIT "A"

### (PROPERTY DESCRIPTION)

PART OF LOT 9 IN FARWELL'S SUBDIVISION OF BLOCK 17 IN JOHN C. GARLAND'S ADDITION TO WINNETKA, BEING A SUBDIVISION OF THE NORTH 120 ACRES OF THE SOUTHWEST 1/4 OF SECTION 21, TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF WINNETKA, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 9; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT, 55 FEET; THENCE WEST OF A LINE PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE WEST LINE OF SAID LOT; THENCE NORTHWESTERLY ALONG THE WEST LINE OF SAID LOT TO THE NORTHWEST CORNER OF SAID LOT; THENCE EAST ALONG THE NORTH LINE OF SAID LOT TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN: 05-21-313-009-0000

Address: 261 Wilson Street, Winnetka, Illinois 60093