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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



Report Mortgage Fraud  
844-768-1713

Doc#: 1911246151 Fee: \$98.00  
Edward M. Moody  
Cook County Recorder of Deeds  
Date: 04/22/2019 01:42 PM Pg: 1 of 26

The property identified as:

**PIN:** 17-19-420-024-0000

**Address:**

**Street:** 1758 W 21ST ST

**Street line 2:**

**City:** Chicago

**State:** IL

**ZIP Code:** 60608

**Lender:** CHI APTS 3, LLC

**Borrower:** 1758 21st Street, LLC

**Loan / Mortgage Amount:** \$259,533.43

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 7770 et seq. because the application was taken by an exempt entity.

Chicago Title 3/4

196NW550357NB

**Certificate number:** 73CE1AA0-70EC-43D9-B77B-11F9237CD5A2

**Execution date:** 4/17/2018

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**THIS INSTRUMENT  
PREPARED BY**

**AND RETURN TO:**

Michael E. Ross  
Firsell Ross  
2801 Lakeside Drive, Suite 207  
Bannockburn, IL 60015

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

**THIS JUNIOR MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT IS SECONDARY AND SUBORDINATE TO ANY AND ALL DEBT OWED TO AMALGAMATED BANK OF CHICAGO, its successors or assigns.**

**THIS JUNIOR MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT ("Mortgage") is made as of the 17 day of April, 2019 by and between **1758 21<sup>ST</sup> STREET, LLC**, an Illinois limited liability company, with a mailing address at 1800 W 21<sup>st</sup> Street, Suite 1F, Chicago IL 60608 ("Mortgagor") and **CHI APTS 3, LLC**, an Illinois limited liability company, having its principal office at 351 West Hubbard Street, Suite 610, Chicago, Illinois ("Lender").**

**WHEREAS**, Lender is making a loan to Mortgagor in the principal amount of **Two Hundred Fifty Nine Thousand Five Hundred Thirty Three and 43/100 Dollars (\$259,533.43)**, which indebtedness is evidenced by Mortgagor's Mortgage Note dated or even date herewith and all modifications, substitutions, extensions and renewals thereof ("**Note**") providing for repayment of principal and interest (with interest being paid at a fixed rate) and providing for a final payment of all sums due thereunder on the earlier of: (i) the refinance or sale of the Real Estate (defined below), or (ii) the date that is one (1) year after the date of this Mortgage.

**TO SECURE** to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all charges provided herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements contained herein and in the Note, all future advances and all other indebtedness of Mortgagor to Lender whether now or hereafter existing (collectively, the "Secured Indebtedness" or "Indebtedness") and also in consideration of Ten Dollars (\$10.00), the receipt and sufficiency of which is acknowledged, Mortgagor does hereby convey, grant, mortgage and warrant to Lender 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"). The Real Estate has the common address of 1758 W 21<sup>st</sup> Street, Chicago, Illinois 60608.

**TOGETHER WITH** 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 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

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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 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 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 the Lender, 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 Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Mortgagor shall promptly pay or cause to be paid when due all Secured Indebtedness.
2. **Intentionally deleted.**
3. **Application of Payments.** Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Note and all other documents given to Lender as further evidence, secure or guarantee the Secured Indebtedness (collectively, the "Loan Documents") shall be applied by Lender first sums advanced by Lender pursuant to Paragraph 8 to protect the security of this Mortgage, then to interest payable on the Note, and then to Note principal (and if principal is due in installments, application shall be to such installments in the inverse order of their maturity).

Any applications to principal of proceeds from insurance policies, as provided in Paragraph 6, or of condemnation awards, as provided in Paragraph 10, shall not extend or postpone the due date of any monthly installments of principal or interest, or change the amount of such installments or of the other charges or payments provided in the Note or other Loan Documents.

4. **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 Lender all notices given or received of

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any defaults or events of default under any Prior Encumbrance. Nothing in this Paragraph shall be deemed to permit a Prohibited Transfer as defined in Paragraph 17 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.

5. **Taxes and Assessments; Rents.** Mortgagor shall pay or cause to be paid when due all general and special real estate and property taxes and assessments and water, sewer and other charges, and fines 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 Lender of compliance with these requirements promptly 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.

6. **Insurance; Definitions.** For purposes of this Paragraph 6:

"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 Lender may from time to time require, and, unless waived by Lender, including the following:

(i) **Builder's Risk.** During any periods of construction, controlled Insurance Program or Wrap Up All-Risk or All Risk Policy which consists of Builder's Risk insurance for the projected value of the project and Commercial General Liability (\$1,000,000.00 per occurrence and \$2,000,000.00 for general aggregate).

(ii) **Workers' Compensation.** As applicable, worker's compensation insurance in accordance with State of Illinois requirements. The deductible or self-insured retention under such policy shall not exceed \$5,000.00. Since Lender cannot be named as additional insured, Lender should be shown as certificate holder.

(iii) **Flood.** If applicable, flood insurance in at least maximum coverage per the National Flood Insurance Program (NFIP) (currently \$500,000.00).

(iv) **Commercial General Liability** Commercial General Liability insurance on a per occurrence basis, providing coverage for liabilities with primary coverage of not less than \$1,000,000.00 per occurrence, and \$2,000,000.00 general aggregate per year, covering liability due to personal and bodily injury or death and property damage arising from premises and operations, elevators, escalators, independent contractors, contractual liability, products and completed operations. The deductible or

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self-insured retention under such policy shall not exceed \$5,000.00. Mortgagor should be shown as named insured and Lender and general contractor (if applicable) as additional insureds.

(v) **Contractors Liability Insurance Liability.** During any periods of construction, if a general contractor provides Contractor's Liability Insurance, coverage is required on a per occurrence basis, providing coverage for those liabilities with primary coverage of not less than \$1,000,000.00 per occurrence, and \$5,000,000.00 general aggregate per year. Mortgagor and Lender should be shown as additional insureds.

(vi) **Rent Continuation.** If necessary, rent and rental value/extra expense insurance (if the Premises are tenant occupied) in amounts sufficient to pay during any period in which the Premises may be damaged or destroyed, on a gross rents basis for a period of twelve (12) months or such greater time as Lender may deem appropriate: (a) all rents derived from the Premises; (b) all amounts (including, but not limited to, all Impositions, utility charges and insurance premiums) required to be paid by Mortgagor or by tenants of the Premises, and (c) all contingent rents.

(vii) **Business Interruption.** If necessary, business interruption/extra expense insurance (if the Premises are owner occupied) in amounts sufficient to pay during any period in which the Premises may be damaged or destroyed, on a gross income basis for a period of twelve (12) months or such greater time as Lender may deem appropriate (a) all business income derived from the Premises and (b) all amounts (including, but not limited to, all Impositions, utility charges and insurance premiums) required to be paid by Mortgagor;

(viii) **Other Insurance.** Such other insurance relating to the Premises and the use and operation thereof, as Lender may, from time to time, reasonably require.

b. **Policy Requirements.** All insurance shall: (i) be carried in companies with a Best's rating of A/X or better, or otherwise acceptable to Lender; (ii) in form and content acceptable to Lender; (iii) provide thirty (30) days' advance written notice to Lender 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 Lender; and (v) provide that no claims shall be paid thereunder without ten (10) days advance written notice to Lender.

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

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c. **Delivery of Policies.** Any notice pertaining to insurance and required pursuant to this Paragraph 6 shall be given in the manner provided in Paragraph 15 below at Lender'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. At Lender's request, Mortgagor will deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid", (or evidence satisfactory to Lender of the continuing coverage) to Lender at least thirty (30) days before the expiration of existing policies. If Lender has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, Lender shall have the right, but not the obligation, to purchase such insurance for Lender's interest only. Any amounts so disbursed by Lender pursuant to this Section shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note. Nothing contained in this Paragraph 6 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 6.

d. **Separate Insurance.** Mortgagor shall not carry any separate insurance on the Premises concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached standard non-contributing mortgagee clause, with loss payable to Lender, and shall otherwise meet all other requirements set forth herein.

e. **Compliance Certificate.** At Lender's option, but not more often than annually, Mortgagor shall provide Lender with a report from an independent insurance consultant of regional or national prominence, acceptable to Lender, certifying that Mortgagor's insurance is in compliance with this Paragraph 6.

f. **Notice of Casualty.** Mortgagor shall give immediate notice of any loss to Lender. In case of loss covered by any of such policies, Lender is authorized to adjust, collect and compromise in its discretion, all claims thereunder and in such case, Mortgagor covenants to sign upon demand, or Lender 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 Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Lender may deduct from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including, but not limited to, attorneys' and adjusters' fees and charges.

g. **Application of Proceeds.** If all or any part of the Premises shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 10, Mortgagor shall promptly and with all due diligence restore and repair the Premises whether or not the net insurance proceeds, award or other compensation (collectively, the "Proceeds") are sufficient to pay the cost of such restoration or repair. Lender may require that all plans and specifications for such restoration or repair be submitted to and approved by Lender in writing prior to commencement of the work. At Lender's election, to be exercised by written notice to Mortgagor within thirty (30) days following Lender's unrestricted receipt in cash or the equivalent thereof of the Proceeds, the entire amount of the Proceeds, shall either: (i) be applied to the Secured Indebtedness in such order and

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manner as Lender may elect or (ii) be made available to Mortgagor on the terms and conditions set forth in this Paragraph 6 to finance the cost of restoration or repair with any excess to be applied to the Secured Indebtedness in the inverse order of maturity. Any application of the Proceeds to reduce the Secured Indebtedness shall constitute a voluntary prepayment. If the amount of the Proceeds to be made available to Mortgagor pursuant to this Paragraph 6 is less than the cost of the restoration or repair as estimated by Lender at any time prior to completion thereof, Mortgagor shall cause to be deposited with Lender the amount of such deficiency within thirty (30) days of Lender's written request therefor (but in no event later than the commencement of the work) and Mortgagor's deposited funds shall be disbursed prior to the Proceeds. If Mortgagor is required to deposit funds under this Paragraph 6, the deposit of such funds shall be a condition precedent to Lender's obligation to disburse the Proceeds held by Lender hereunder. The amount of the Proceeds which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Lender to be disbursed from time to time to pay the cost of repair or restoration either, at Lender's option, to Mortgagor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof. Lender may require: (i) evidence of the estimated cost of completion of such restoration or repair satisfactory to Lender; and (ii) such architect's certificates, waivers of lien, contractors' sworn statements, title insurance endorsements, plats of survey and other evidence of cost, payment and performance acceptable to Lender. If Lender requires mechanics' and materialmen's lien waivers in advance of making disbursements, such waivers shall be deposited with an escrow trustee acceptable to Lender pursuant to a construction loan escrow agreement satisfactory to Lender. No payment made prior to final completion of the repair or restoration shall exceed ninety percent (90%) of the value of the work performed from time to time. Lender may commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it nor shall Mortgagor be entitled to a credit against any of the Secured Indebtedness except and to the extent the funds are applied thereto pursuant to this Paragraph 6. Without limitation of the foregoing, Lender shall have the right at all times to apply such funds to the cure of any Event of Default or the performance of any obligations of Mortgagor under the Loan Documents.

**h. UNLESS MORTGAGOR PROVIDES LENDER WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED ABOVE, LENDER MAY PURCHASE SUCH INSURANCE AT MORTGAGOR'S EXPENSE TO PROTECT LENDER'S INTERESTS IN THE PREMISES. THIS INSURANCE MAY, BUT NEED NOT, PROTECT MORTGAGOR'S INTERESTS. THE COVERAGE THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT MORTGAGOR MAKES OR ANY CLAIM THAT IS MADE AGAINST MORTGAGOR IN CONNECTION WITH THE PREMISES. MORTGAGOR MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING LENDER WITH EVIDENCE THAT MORTGAGOR HAS OBTAINED INSURANCE AS REQUIRED ABOVE. IF LENDER PURCHASES INSURANCE FOR THE PREMISES, MORTGAGOR WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE**

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**EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE MORTGAGOR MAY BE ABLE TO OBTAIN ON ITS OWN.**

7. **Use, Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** 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 as defined in Paragraph 28, nor permit the same to exist or be stored, treated or disposed of, from or upon the Property. Mortgagor shall promptly restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed. Mortgagor shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Property, including all environmental, health and safety laws and regulations, and shall make no material alterations in the Property, except as required by law, without the prior written consent of Lender. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Property. If this Mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If this Mortgage is on a ground leasehold, Mortgagor shall perform or cause to be performed all obligations of the lessee under the underlying ground lease.

8. **Protection of Lender's Security.** If Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage, the Note or the other Loan Documents, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Property, then Lender, at Lender'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 Lender'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. Lender, 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 Lender pursuant to this Paragraph 8 shall be part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "Default Rate"). Nothing contained in this Paragraph 8 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 8.

9. **Inspection of Property and Books and Records.** Mortgagor shall permit Lender and its representatives and agents to inspect the Property from time to time during normal business hours and as frequently as Lender 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 Lender 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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10. **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 Lender. Mortgagor hereby grants a security interest to Lender in and to such proceeds. Lender is authorized to collect such proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Property or in payment of the Secured Indebtedness. In the event the Property is restored, Lender may pay the condemnation proceeds in accordance with its customary construction loan payment procedures, and may charge its customary fee for such services. In the event the condemnation proceeds are applied to reduce the Secured Indebtedness, any such application shall constitute a prepayment.

11. **Mortgagor Not Released; Forbearance by Lender Not a Waiver; Remedies Cumulative.** Extension or other modification granted by Lender 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 the Mortgagor. Any forbearance or inaction by Lender 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. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 8 or otherwise, shall not be a waiver of Lender's right to accelerate the maturity of the Secured Indebtedness. 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 Lender to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

12. **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 Lender and Mortgagor. If this Mortgage is executed by more than one Mortgagor, each Mortgagor shall be jointly and severally liable hereunder.

13. **Loan Charges.** If the Loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Mortgagor which exceeded permitted limits ("Excess Loan Charges") will, at Lender's option, either be refunded to Mortgagor or applied as a credit against the then outstanding principal balance or accrued and unpaid interest thereon. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Mortgagor shall not have any action against Lender for any damages whatsoever arising from the payment of Excess Loan Charges in accordance with the foregoing.

14. **Legislation Affecting Lenders' Rights.** If an enactment, modification or expiration of an applicable governmental law, ruling or regulation has the effect of rendering any provision of the Note, this Mortgage or any of the other Loan Documents unenforceable according to its terms, Lender, at its option upon giving written notice to Mortgagor allowing Mortgagor ninety (90) days to pay off the balance of the loan evidenced thereby, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 19.

15. **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 given to Mortgagor and Lender at the addresses provided above. Notices shall be deemed to have been given and

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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 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.

16. **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, the Note or any of the other Loan Documents conflicts with applicable law, or is adjudicated to be invalid or unenforceable, same shall not affect other provisions of this Mortgage, the Note or any of the other Loan Documents which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage, the Note or any of the other Loan Documents are declared to be severable and the validity or enforceability of the remainder of the Loan Document in question shall be construed without reference to the conflicting, invalid or unenforceable clause or provision.

17. **Prohibition on Transfer of the Property or of an Interest in Mortgagor.** It shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any lease (except for existing residential tenant leases and residential tenant leases entered into in the ordinary course of business), 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; (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"). In the event of such default, Lender may declare the entire unpaid balance, including interest, immediately due and payable. The foregoing provisions of this Paragraph 17 shall not, however, apply to the lien of current Impositions and assessments not yet due and payable. This option shall not be exercised by Lender if prohibited by Federal law as of the date of this Mortgage.

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

a. Mortgagor's failure to pay any amount due herein or secured hereby, or any installment of principal or interest when due and payable whether at maturity or by acceleration or otherwise under the Note, this Mortgage, or any other Loan Document which failure continues for more than five (5) days from the due date; provided, however, that such five (5) day cure period shall not apply to the other subparagraphs of this Paragraph 18;

b. Mortgagor's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph 18) or any other document or instrument evidencing, guarantying or securing the Secured Indebtedness, and such failure continues for more than thirty (30) days after the earlier of the Mortgagor's becoming aware

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of such failure or notice thereof given by Lender to Mortgagor; provided, however, that such thirty (30) day cure period shall not apply to the other subparagraphs of this Paragraph 18;

c. The occurrence of any breach of any representation or warranty contained in this Mortgage or any other Loan Document;

d. A Prohibited Transfer occurs;

e. A court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law; or if Mortgagor, or any beneficiary of or person in control of Mortgagor, shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or 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 the Mortgagor or for any part of the Property or any substantial part of the Mortgagor's other property; (iii) make any assignment for the benefit of Mortgagor's creditors; (iv) fail generally to pay Mortgagor's debts as they become due;

f. All or a substantial part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;

g. If Mortgagor is other than a natural person or persons: (i) the dissolution or termination of existence of Mortgagor, voluntarily or involuntarily, whether by reason of death of a general partner of Mortgagor or otherwise; (ii) the amendment or modification in any respect of Mortgagor's articles or agreement of partnership or its corporate resolutions or its articles of incorporation or bylaws that would affect Mortgagor's performance of its obligations under the Note, this Mortgage or the other Loan Documents;

h. 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;

i. The Property is abandoned;

j. An indictment or other charge is filed against Mortgagor in any jurisdiction, under any federal or state law, for which forfeiture of the Property or of other collateral securing the Secured Indebtedness or of any other funds, property or other assets of Mortgagor or Lender, is a potential penalty (unless such charge is dismissed within ten (10) days after filing);

k. Mortgagor's failure to pay, when due, any amount payable under any other obligation of Mortgagor to Lender, however created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, subject to applicable cure periods, if any.

19. **ACCELERATION; REMEDIES.** AT ANY TIME AFTER AN EVENT OF DEFAULT, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS

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MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDING ALL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PROPERTY SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND, AS SET FORTH IN PARAGRAPH 3 OF THIS MORTGAGE; AND THIRD, ANY BALANCE TO MORTGAGOR.

20. **Assignment of Leases and Rents.** All right, title, and interest of Mortgagor in and to 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 Lender as further security for the payment of the Secured Indebtedness, and Mortgagor hereby grants a security interest to Lender in and to the same. If requested by Lender, Mortgagor shall submit all future Leases affecting the Property to the Lender for its approval prior to execution, and all approved and executed Leases shall be specifically assigned to Lender by an instrument satisfactory to Lender. Each Lease shall, at the option of Lender, be paramount or subordinate to this Mortgage. Mortgagor shall furnish Lender with executed copies of each Lease and, if requested by Lender, with estoppel letters from each tenant, which estoppel letters shall be in a form satisfactory to Lender and shall be delivered no later than thirty (30) days after Lender's written demand.

If, without Lender's prior written consent, Mortgagor; (i) as lessor, fails to perform and fulfill any term, covenant, or provision in any Lease; (ii) suffers or permits to occur any breach or default under the provisions of any separate assignment of any Lease given as additional security for the Secured Indebtedness; (iii) fails to fully protect, insure, preserve, and cause continued performance or fulfillment of the terms, covenants, or provisions, which are required to be performed by the lessee or the lessor of any other Lease or Leases hereafter assigned to Lender; (iv) cancels, terminates, or materially amends or modifies any Lease; or (v) permits or approves an assignment by lessee of a Lease or a subletting of all or any part of the Property demised in the Lease; such occurrence shall constitute an Event of Default hereunder.

Lender shall have the right to assign Mortgagor's right, title and interest in any Leases to any subsequent holder of this Mortgage or the Note and other Loan Documents or to any person acquiring title to all or any part of the Property through foreclosure or otherwise.

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 Lender without proof of the Event of Default. Lender 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 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, Lender shall not exercise any of the rights or powers conferred upon it by this Paragraph until an Event of Default shall occur under this Mortgage.

If Mortgagor, as lessor, shall neglect or refuse to perform and keep all of the covenants and agreements contained in the Lease or Leases, then Lender may perform and comply with any such Lease covenants and agreements. All related costs and expenses incurred by the Lender shall become a part of the

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Secured Indebtedness and shall be due and payable upon demand by Lender with interest thereon accruing thereafter at the Default Rate.

Lender, however, shall not be obligated to perform or discharge any obligation, duty or liability under any Lease. Mortgagor shall, defend, protect, indemnify and hold Lender harmless from and against any and all liability, loss or damage to Lender under the Leases or under or by reason of their assignments and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of all alleged obligations or undertakings on its part to perform or discharge any Lease terms, covenants or agreements. The amount of any such liability, loss or damage arising under the Leases or under or by reason of their assignment, or in the defense of any claims or demands, including costs, expenses and reasonable attorneys' fees, incurred by Lender shall be a part of the Secured Indebtedness due and payable upon demand with interest thereon accruing thereafter at the Default Rate.

21. **Appointment of Receiver.** Upon acceleration under Paragraphs 17 or 19, or abandonment of the Property, and without further notice to Mortgagor, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the Rents including those past due. The receiver shall have the power to collect the Rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All Rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the costs and expenses of the management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in Paragraph 3. The receiver shall be liable to account only for those Rents actually received.

22. **Release.** Upon payment of all Secured Indebtedness, Lender shall release this Mortgage upon payment by Mortgagor of all costs and fees to release same, if any. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

23. **Security Agreement.** Without limiting any other provisions of this Mortgage, this Mortgage constitutes a "security agreement" under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to all fixtures, apparatus, equipment or articles, and all replacements and substitutions, now or hereafter located on the Property as set forth in the description of the Property above, including but not limited to the air-conditioning, heating, gas, water, power, light, refrigeration, and ventilation systems which are presently located at the Property, and with respect to all Funds and other sums which may be deposited with Lender pursuant hereto (all for the purposes of this Paragraph called "Collateral"), and Mortgagor hereby grants to Lender a security interest in such Collateral. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have all remedies of a secured party under the Code. This Mortgage is intended to be a financing statement with respect to any other Collateral which constitutes "fixtures" within the meaning of the Code. Mortgagor shall execute and deliver to Lender any financing statements necessary to perfect the security interest in the Collateral created hereby. Any Code requirement for reasonable notice shall be met if such notice is delivered as provided herein at least five (5) days prior to the time of any sale, disposition, or other event or matter giving rise to the notice (which period of time and method of notice is agreed to be commercially reasonable).

24. **Zoning.** The Property is zoned to permit the Mortgagor's intended use of the Property. Mortgagor will not initiate or acquiesce in a zoning reclassification without Lender's prior written consent.

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25. **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 the stated principal amount of the Note plus Five Hundred Thousand Dollars (\$500,000.00).

26. **Business Loan.** Mortgagor hereby represents and warrants that:

a. the proceeds of the Secured Indebtedness (the "Loan") will be used for the purposes specified in 815 ILCS 205/4(1)(a) or (c), as amended:

b. the Loan constitutes a "business loan" within the purview of that Section;

c. the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. 1601, et seq.; and

d. the proceeds of the Secured Indebtedness will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

27. **Intentionally deleted**

28. **Environmental Compliance.** Mortgagor hereby represents and warrants to Lender and covenants with Lender that:

a. **Definitions.** For purposes of this Paragraph 28:

(i) "Premises" means: The Real Estate including improvements presently and hereafter situated thereon or thereunder, construction material used in such improvements, surface and subsurface soil and water, areas leased to tenants, and all business, uses and operations thereon.

(ii) "Environmental Laws" means:

(1) any present or future federal statute, law, code, rule, regulation, ordinance, order, standard, permit, license, guidance document or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment, including, but not limited to: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq.;

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(2) any present or future state or local statute, law, code, rule, regulation, ordinance, order, standard, permit, license or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment.

(iii) "Hazardous Material" means:

(1) "hazardous substances" as defined by CERCLA;

(2) "hazardous wastes", as defined by RCRA;

(3) "hazardous substances", as defined by the Clean Water Act;

(4) any item which is banned or otherwise regulated pursuant to TOSCA;

(5) any item which is regulated by the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 et seq.;

(6) any item which triggers any thresholds regulated by or invoking any provision of the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001 et seq.;

(7) any hazardous, dangerous or toxic chemical, material, waste, pollutant, contaminant or substance ("pollutant") within the meaning of any Environmental Law prohibiting, limiting or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;

(8) any petroleum, crude oil or fraction thereof;

(9) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. Section 2011 et seq., and amendments thereto and reauthorizations thereof;

(10) asbestos-containing materials in any form or condition; and

(11) polychlorinated biphenyls ("PCBs") in any form or condition.

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(iv) "Environmental Actions" means:

(1) any notice of violation, complaint, claim, citation, demand, inquiry, report, action, assertion of potential responsibility, lien, encumbrance, or proceeding regarding the Premises, whether formal or informal, absolute or contingent, matured or unmatured, brought or issued by any governmental unit, agency, or body, or any person or entity respecting:

(a) Environmental Laws;

(b) the environmental condition of the Premises, or any portion thereof, or any property near the Premises, including actual or alleged damage or injury to humans, public health, wildlife, biota, air, surface or subsurface soil or water, or other natural resources; or

(c) the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of Hazardous Material either on the Premises or off-site.

(2) any violation or claim of violation by Mortgagor of any Environmental Laws whether or not involving the Premises;

(3) any lien for damages caused by, or the recovery of any costs incurred by any person or governmental entity for the investigation, remediation or cleanup of any release or threatened release of Hazardous Material; or

(4) the destruction or loss of use of property, or the injury, illness or death of any officer, director, employee, agent, representative, tenant or invitee of Mortgagor or any other person alleged to be or possibly to be, arising from or caused by the environmental condition of the Premises or the release, emission or discharge of Hazardous Materials from the Premises.

b. **Representations and Warranties.** Mortgagor hereby represents and warrants to Lender that:

(i) **Compliance.** To the best of Mortgagor's knowledge, based on all appropriate and thorough inquiry, the Premises and Mortgagor have been and are currently in compliance with all Environmental Laws. There have been, to the best of Mortgagor's knowledge based on all appropriate and thorough inquiry, no past, and there are no pending or threatened, Environmental Actions to which Mortgagor



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is a party or which relate to the Premises. All required governmental permits and licenses are in effect, and Mortgagor is in compliance therewith. Mortgagor has not received any notice of any Environmental Action respecting Mortgagor, the Premises or any off-site facility to which has been sent any Hazardous Material for off-site treatment, recycling, reclamation, reuse, handling, storage, sale or disposal.

(ii) **Absence of Hazardous Material.** No use, exposure, release, emission, discharge, generation, manufacture, sale, handling, reuse, presence, storage, treatment, transport, recycling or disposal of Hazardous Material has, to the best of Mortgagor's knowledge, based on all appropriate and thorough inquiry, occurred or is occurring on or from the Premises except in compliance with Environmental Laws. The term "released" shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Material). To the best of Mortgagor's knowledge, all Hazardous Material used, treated, stored, transported to or from, generated or handled on the Premises has been disposed of on or off the Premises in a lawful manner. To the best of Mortgagor's knowledge, no environmental, public health or safety hazards currently exist with respect to the Premises. To the best of Mortgagor's knowledge, no underground storage tanks (including but not limited to petroleum or heating oil storage tanks) are present on or under the Premises, or have been on or under the Property except as has been disclosed in writing to Lender ("Disclosed Tanks").

c. **Mortgagor's Covenants.** Mortgagor hereby covenants and agrees with Lender as follows:

(i) **Compliance.** The Premises and Mortgagor shall comply with all Environmental Laws. All required governmental permits and licenses shall be obtained and maintained, and Mortgagor shall comply therewith. All Hazardous Material on the Premises will be disposed of in a lawful manner without giving rise to liability under any Environmental Laws. Mortgagor will satisfy all requirements of applicable Environmental Laws for the registration, operation, maintenance, closure and removal of all underground storage tanks on the Premises, if any. Without limiting the foregoing, all Hazardous Material shall be handled in compliance with all applicable Environmental Laws.

(ii) **Absence of Hazardous Material.** Other than Disclosed Material, no Hazardous Material shall be introduced to or used, exposed, released, emitted, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on the Premises without thirty (30) days' prior written notice to Lender.

(iii) **Environmental Actions and Right to Consent.** Mortgagor shall immediately notify Lender of all Environmental Actions and provide copies of all written notices, complaints, correspondence and other documents relating thereto within two (2) business days of receipt, and Mortgagor shall keep Lender informed of all responses thereto. Mortgagor shall promptly cure and have dismissed with prejudice all Environmental Actions in a manner satisfactory to Lender and

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Mortgagor shall keep the Premises free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any Environmental Actions. Notwithstanding the foregoing sentence, Mortgagor may, diligently, in good faith and by appropriate legal proceedings, contest such proceedings provided:

(1) Mortgagor first furnishes to Lender such deposits or other collateral as Lender, in its sole discretion, deems sufficient to fully protect Lender's interests;

(2) such contest shall have the effect of preventing any threatened or pending sale or forfeiture of all or any portion of the Premises or the loss or impairment of Lender's lien and security interests in and to the Premises; and

(3) such contest will not cause Lender to incur any liability, in Lender's sole judgment. Mortgagor shall permit Lender, at Lender's option, to appear in and to be represented in any such contest and shall pay upon demand all expenses incurred by Lender in so doing, including attorneys' fees.

(iv) **Future Environmental Audits.** Mortgagor shall provide such information and certifications which Lender may reasonably request from time to time to monitor Mortgagor's compliance with this Article for the sole purpose of protecting Lender's security interest. To protect its security interest, Lender shall have the right, but not the obligation, at any time to enter upon the Premises, take samples, review Mortgagor's books and records, interview Mortgagor's employees and officers, and conduct such other activities as Lender, at its sole discretion, deems appropriate. Mortgagor shall cooperate fully in the conduct of such an audit. If Lender decides to conduct such an audit because of: (a) an Environmental Action; (b) Lender's considering taking possession of or title to the Premises after default by Mortgagor; (c) a material change in the use of the Premises, which in Lender's opinion, increases the risk to its security interest; or (d) the introduction of Hazardous Material other than Disclosed Material to the Premises; then Mortgagor shall pay upon demand all costs and expenses connected with such audit, which, until paid, shall become additional indebtedness secured by the Loan Documents and shall bear interest at the Default Rate. Nothing in this Article shall give or be construed as giving Lender the right to direct or control Mortgagor's actions in complying with Environmental Laws.

(v) **Event of Default and Opportunity to Cure.** If Mortgagor fails to comply with any of its covenants contained in this Section C within thirty (30) days after notice by Lender to Mortgagor, Lender may, at its option, declare an Event of Default. If, however, the noncompliance cannot, in Lender's reasonable determination, be corrected within such thirty (30) day period, and if Mortgagor has promptly commenced and diligently pursues action to cure such noncompliance to Lender's satisfaction, then Mortgagor shall have such additional time as is reasonably necessary to correct such noncompliance, provided Mortgagor continues to diligently pursue corrective action, but in no event more

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than a total of one hundred eighty (180) days after the initial notice of noncompliance by Lender.

(vi) There are no pending or threatened: (i) actions or proceedings from any governmental agency or any other entity regarding the condition or use of the Property, or regarding any environmental, health or safety law; or (ii) "superliens" or similar governmental actions or proceedings that could impair the value of the Property, or the priority of the lien of this Mortgage or any of the other Loan Documents (collectively "Environmental Proceedings"). Mortgagor will promptly notify Lender of any notices, or other knowledge obtained by Mortgagor hereafter of any pending or threatened Environmental Proceedings, and Mortgagor will promptly cure and have dismissed with prejudice any such Environmental Proceedings to the satisfaction of Lender.

(vii) Any fees, costs and expenses imposed upon or incurred by Lender on account of any breach of this Paragraph 28 shall be immediately due and payable by Mortgagor to Lender upon demand, and shall (together with interest thereon at the Default Rate accruing from the date such fees, costs and expenses are so imposed upon or incurred by Lender) become part of the Secured Indebtedness. Mortgagor shall keep, save and protect, defend, indemnify and hold Lender harmless from and against any and all claims, loss, cost, damage, liability or expense, including reasonable attorneys' fees, sustained or incurred by Lender by reason of any Environmental Proceedings or the breach or default by Mortgagor of any representation, warranty or covenant contained in this Paragraph 18.

d. **Lender's Right to Rely.** Lender is entitled to rely upon Mortgagor's representations, warranties and covenants contained in this Paragraph 28 despite any independent investigations by Lender or its consultants. The Mortgagor shall take all necessary actions to determine for itself, and to remain aware of, the environmental condition of the Premises. Mortgagor shall have no right to rely upon any independent environmental investigations or findings made by Lender or its consultants unless otherwise stated in writing therein and agreed to in writing by Lender.

e. **Indemnification.** The term "Lender's Environmental Liability" shall mean any and all losses, liabilities, obligations, penalties, claims, fines, lost profits, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including consequential, punitive and exemplary damages), disbursements or expenses of any kind or nature whatsoever (including attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's parent and subsidiary corporations and their affiliates, shareholders, directors, officers, employees, and agents (collectively Lender's "Affiliates") in connection with or arising from:

(i) any Hazardous Material used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Premises, or any surrounding areas;

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(ii) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Article;

(iii) any violation, liability or claim of violation or liability, under any Environmental Laws;

(iv) the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of, any release or threatened release of Hazardous Material; or

(v) any Environmental Actions.

Mortgagor shall indemnify, defend (at trial and appellate levels and with counsel, experts and consultants acceptable to Lender and at Mortgagor's sole cost) and hold Lender and its Affiliates free and harmless from and against Lender's Environmental Liability (collectively, "Mortgagor's Indemnification Obligations"). Mortgagor's Indemnification Obligations shall survive in perpetuity with respect to any Lender's Environmental Liability.

Mortgagor and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under or with respect to any Environmental Laws. Mortgagor's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor or Lender with respect to the violation or condition which results in liability to Lender.

29. **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 Lender any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of such provision, Lender 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 Lender 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, and whether or not enumerated in Paragraph 19 of this Mortgage, shall be added to the Secured Indebtedness secured by this Mortgage or by the judgment of foreclosure.

30. **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 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.

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31. **Accountant's Letters.** At Lender's request, the Mortgagor shall have delivered to Lender one or more letters addressed to Lender and signed by each accountant or firm of accountants who prepared or certified any of the financial statements furnished, or who will prepare or certify any financial statement to be furnished, to Lender hereunder or under any of the Loan Documents, affirming that such accountant or firm of accountants understands that the Lender will rely on such financial statements and that the liability and responsibility of such accountant or firm of accountants to the Lender with respect thereto will not be eliminated, diminished or affected in any way by Section 30.1 of the Illinois Public Accounting Act (225 ILCS 450/30.1), as amended, or any other statutory, regulatory, administrative or other law, regulation, rule, enactment, or ordinance.

32. **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 Lender, 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 (it) or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note.

33. **Construction Advances.** The Note may evidence debt which may be created by one or more advances made by Lender to Mortgagor pursuant to said Note to finance the cost of construction of certain improvements upon the Real Estate and, in such event and at Lender's election, this Mortgage will constitute a construction mortgage as such term is defined in Section 9-313(1)(c) of the Code.

34. **Future Advances.** This Mortgage secures future advances from Lender to Mortgagor not to exceed in the aggregate at any one time the principal sum of the Note plus Five Hundred Thousand Dollars (\$500,000.00), together with all interest, costs and expenses incurred by Lender in enforcing all obligations under any or all of this Mortgage, the Note, and the other Loan Documents, to the same extent as if such future advances were made on the date of the execution of this Mortgage. All advances required hereunder or under the Note are obligatory advances up to the credit limit at any one time of stated principal amount of the Note plus Five Hundred Thousand Dollars (\$500,000.00) and shall, to the extent permitted by law, have priority over mechanics' and materialmen's liens, if any, arising after this Mortgage is recorded.

It is understood that at any time before the cancellation and release of this Mortgage, that the Note, this Mortgage and any of the Loan Documents, including the terms of repayment thereof, may from time to time be modified or amended in writing by Lender and Mortgagor to include any future advance or advances for any purpose set forth herein, in the any of the Loan Documents made by Lender, at its option,

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to or for the benefit of Mortgagor. Mortgagor covenants and agrees that this Mortgage secures on a priority basis any and all such future advance or advances whether such advances are of the same or a different kind or quality as the original advances, whether or not related to the original advances together with the specified interest hereon, as well as the hereinbefore described principal and interest now evidenced by the Note. Nothing contained in this Paragraph 34 shall be construed as limiting the interest, which may be secured hereby or the amount or amounts secured hereby to protect the real estate security.

35. **WAIVER OF JURY TRIAL.** MORTGAGOR AND LENDER WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (i) UNDER THIS MORTGAGE, THE OTHER LOAN DOCUMENTS OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH; OR (ii) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS. MORTGAGOR AND LENDER AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

[SIGNATURES APPEAR IN FOLLOWING PAGE]

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

1758 21<sup>ST</sup> STREET, LLC,  
a Illinois limited liability company

By: MKS Properties, LLC,  
an Illinois limited liability company  
its Manager

By: *[Signature]*  
David Frankel McLean, Manager

STATE OF ILLINOIS )  
  ) SS.  
COUNTY OF COOK       )

I, Antoinette M. Curia, a Notary Public in and for said County and State, DO HEREBY CERTIFY that David Frankel McLean the Manager of MKS Properties, LLC, the Manager of 1758 21<sup>st</sup> Street, LLC, an Illinois limited liability company, whose name is subscribed to the foregoing Junior Mortgage, Assignment of Leases and Reversion, and Security Agreement, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument, on behalf of said company and as his free and voluntary act, and as the duly authorized and free and voluntary act of the company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 16<sup>th</sup> day of April, 2019.



*Antoinette M. Curia*  
Notary Public

My Commission expires: 6/30/20

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EXHIBIT "A"

Legal Description

LOT 76 IN LOMBARD'S SUBDIVISION OF BLOCK 50 IN SECTION 19, TOWNSHIP 39 NORTH, RANGE 14 LYING EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1758 W. 21<sup>st</sup> Street, Chicago, Illinois 60608

PERMANENT INDEX NOS.: 17-19-420-024-0000

Property of Cook County Clerk's Office



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## EXHIBIT "B"

### Permitted Encumbrances

1. Taxes for the year 2019 (if not then due and payable) and subsequent years.
2. Existing unrecorded leases and all rights thereunder of the lessees and of any person or party claiming by, through or under the lessees.
3. Matters shown on Survey prepared by Mid Lakes Survey Company, dated February 4, 2019, Job No. 459799.

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**CHICAGO TITLE  
INSURANCE COMPANY**

## LEGAL DESCRIPTION

**Order No.: 19GNW550357NB**

**For APN/Parcel ID(s): 17-19-420-024-0000**

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RANGE 14 LYING EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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