

Illinois Anti-Predatory
Lending Database
Program

Doc#: 1923106038 Fee: \$98.00
Edward M. Moody
Cook County Recorder of Deeds
Date: 08/19/2019 09:52 AM Pg: 1 of 23

Certificate of Exemption



Report Mortgage Fraud
844-768-1713

The property identified as: PIN: 17-18-244-042-0000

Address:

Street: 1926 W. Harrison Street

Street line 2:

City: Chicago

State: IL

ZIP Code: 60612

Lender: KAREP REIT V, LLC

Borrower: CHICAGO DWELLINGS ASSOCIATION

Loan / Mortgage Amount: \$3,100,000.00

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

Certificate number: 4207F622-CD2B-4338-896E-A899DFAA473F

Execution date: 8/13/2019

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RETURN TO:**

Latham & Watkins LLP
330 North Wabash Street, Suite 2800
Chicago, Illinois 60611
Attn: Gary Axelrod, Esq.

Location: 1926 W. Harrison Street, Chicago

County: Cook

State: Illinois

Tax Map/Parcel ID Number(s): 17-18-244-042-
0000

Space above this line for recorder's use only

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

NAME AND ADDRESS OF BORROWER:	Chicago Dwellings Association c/o Lawrence, Kamin, Saunders & Uhlenhop, LLC 300 South Wacker Drive, Suite 500 Chicago, Illinois 60606 Attn: Thomas F. Bennington, Jr., attorney for Borrower
NAME AND ADDRESS OF LENDER:	KAREP REIT V, LLC One Town Center Road, Suite 300 Boca Raton, Florida 33486 Attn: Russell Reiter, Esq.
PROPERTY ADDRESS / ABBREVIATED LEGAL DESCRIPTION:	1926 W. Harrison Street, Chicago, Cook County, Illinois Legal description on <u>Exhibit A</u> of this document.

THIS INSTRUMENT COVERS GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY AND SHOULD BE FILED FOR RECORD IN THE REAL PROPERTY RECORDS WHERE MORTGAGES AND DEEDS OF TRUST ON REAL ESTATE ARE RECORDED. THIS INSTRUMENT SHOULD ALSO BE INDEXED AS A UNIFORM

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COMMERCIAL CODE FINANCING STATEMENT COVERING GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY, THE MAILING ADDRESSES OF THE SECURED PARTY AND THE DEBTOR ARE WITHIN.

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

Term or Maturity Date (exclusive of any renewal or extension rights): February 13, 2020

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Security Instrument**" or "**Mortgage**"), made as of August 13, 2019, is granted by **Chicago Dwellings Association**, an Illinois not-for-profit corporation ("**Borrower**"), in favor of **KAREP REIT V, LLC**, a Delaware limited liability company (collectively with its successors or assigns, "**Lender**").

ARTICLE 1. GRANT IN TRUST

- 1.1 **GRANT.** For the purposes of and upon and subject to the terms and conditions in this Security Instrument, Borrower irrevocably does hereby MORTGAGE, GRANT, BARGAIN, ASSIGN, SELL and CONVEY WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, to Lender, its successors and assigns, all of that real property located in the City of Chicago, County of Cook, State of Illinois, described on Exhibit A attached hereto and made a part hereof, together with the Collateral (as defined herein), all right, title, interest, and privileges of Borrower now owned or hereafter acquired in and to all buildings and other improvements, fixtures and equipment now or hereafter located on the real property and all right, title, interest, and privileges of Borrower now owned or hereafter acquired in and to all streets, ways, roads, and alleys used in connection with or pertaining to such real property, all development rights or credits, licenses and permits, air rights, water, water rights and water stock related to the real property, and all minerals, oil and gas, and other hydrocarbon substances in, on or under the real property, and all appurtenances, easements, estates, tenements, hereditaments, privileges, rights and rights of way appurtenant or related thereto, all apparatus, equipment and appliances used in the operation or occupancy of the real property owned by Borrower, it being intended by the parties that all such items shall be conclusively considered to be a part of the real property, whether or not attached or affixed to the real property ("**Improvements**"), all interest or estate which Borrower may hereafter acquire in the property described above, and all additions and accretions thereto, and the proceeds of any of the foregoing, (all of the foregoing being collectively referred to as the "**Property**"). TO HAVE AND TO HOLD the Property unto Lender, and Borrower does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Property unto Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof for so long as any of the Secured Obligations remain outstanding, upon the trust, terms and conditions contained herein. The listing of specific rights or property shall not be interpreted as a limit of general terms.
- 1.2 **ADDRESS.** The address of the Property is: 1926 W. Harrison, Chicago, Cook County, Illinois. However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Security Instrument on the Property as described on Exhibit A.
- 1.3 **WARRANTY OF TITLE; USE OF PROPERTY.** Borrower represents and warrants that Borrower lawfully holds and possesses fee simple title absolute to the Property without limitation on the right to convey and encumber, and that this Security Instrument is a first and prior lien on the Property subject only to those exceptions approved by Lender in writing. Borrower further

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warrants that the Property is not used principally for agricultural or farming purposes, and that the Property is not homestead and that all of the Property is a single tax parcel, and there are no properties included in such tax parcel other than the Property. Borrower further covenants and agrees that it shall not cause all or any portion of the Property to be replatted or for any lots or boundary lines to be adjusted, changed or altered for either ad valorem tax purposes or otherwise without the prior written consent of Lender, and shall not consent to the assessment of the Property in more than a single tax parcel or in conjunction with any property other than the Property.

- 1.4 **USE OF PROCEEDS.** Borrower represents and warrants to Lender that the proceeds of the obligations secured hereby shall be used solely for business purposes and in furtherance of the regular business affairs of Borrower, and the entire principal obligations secured by this Security Instrument constitute a business loan.

ARTICLE 2. OBLIGATIONS SECURED

- 2.1 **OBLIGATIONS SECURED.** Borrower makes this Security Instrument for the purpose of securing the payment and performance of the following obligations (collectively "**Secured Obligations**"):
- (a) Payment to Lender of all sums at any time owing with interest thereon, according to the terms of that certain Promissory Note (as the same may be amended, modified, supplemented or replaced from time to time, the "**Note**") dated of even date herewith, in the principal amount of Three Million One Hundred Thousand and No/100 Dollars (\$3,100,000.00) executed by Borrower and payable to the order of Lender; and
 - (b) Payment and performance of all covenants and obligations of Borrower under this Security Instrument; and
 - (c) Payment and performance of all covenants and obligations on the part of Borrower under that certain Loan Agreement (as the same may be amended, modified, supplemented or replaced from time to time, the "**Loan Agreement**") of even date herewith by and between Borrower and Lender; and
 - (d) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Lender, when such future advance or obligation is evidenced by an instrument in writing, which recites that it is secured by this Security Instrument including any and all advances or disbursements of Lender with respect to the Property for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Property; and
 - (e) All modifications, extensions, novations and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.
- 2.1 **OBLIGATIONS.** The term "Secured Obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges,

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prepayment charges (if any), late charges and loan fees at any time accruing or assessed on any of the Secured Obligations together with all costs of collecting the Secured Obligations.

- 2.2 **INCORPORATION**. All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or the Loan Agreement may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.
- 2.3 **MAXIMUM INDEBTEDNESS; FUTURE ADVANCES**. This Security Instrument secures the payment of the entire indebtedness secured hereby; provided, however, that the total amount secured by this Security Instrument (excluding interest, costs, expenses, charges, fees, protective advances and indemnification obligations, all of any type or nature) shall not exceed twice the principal amount of the Loan, plus interest that may have accrued thereon, together with any disbursements made for the payment of taxes, levies or insurance Premiums covered by the lien of this Security Instrument, including interest on all such disbursements.

ARTICLE 3. ASSIGNMENT OF LEASES AND RENTS

- 3.1 **ASSIGNMENT**. Subject to the License (as defined below) set forth in Section 3.2, Borrower hereby absolutely and irrevocably assigns and transfers to Lender all of Borrower's right, title and interest in, to and under: (a) all present and future leases, subleases, licenses or occupancy agreements of the Property or any portion thereof, and all other agreements of any kind relating to the management, leasing, operation, use or occupancy of the Property or any portion thereof, whether now existing or entered into after the date hereof ("**Leases**"); and (b) the rents, revenue, income, receipts, reserves, issues, deposits and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Borrower under the Leases ("**Payments**"). The term "Leases", as referred to herein, shall also include all options, rights of first refusal or guarantees of and security for the tenant's performance thereunder, the right to exercise any landlord's liens and other remedies to which the landlord is entitled, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This assignment is intended to be and constitutes a present, unconditional and absolute assignment, not an assignment for security purposes only, and Lender's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Property.
- 3.2 **GRANT OF LICENSE**. Lender confers upon Borrower a revocable license ("**License**") to collect and retain the Payments as they become due and payable, until the occurrence of an Event of Default (as hereinafter defined) which has not been cured. Upon an Event of Default, the License shall be automatically revoked and Lender may collect and apply the Payments pursuant to that certain Section hereof entitled Application of Other Sums without notice and without taking possession of the Property. All payments thereafter collected by Borrower shall be held by Borrower as trustee under a constructive trust for the benefit of Lender. Upon revocation of the License, Borrower hereby irrevocably authorizes and directs the tenants under the Leases to rely upon and comply with any notice or demand by Lender for the payment to Lender of any rentals or other sums which may at any time become due under the Leases, or for the performance of any of the tenants' undertakings under the Leases, and the tenants shall have no right or duty to inquire as to whether any Event of Default has actually occurred or is then existing hereunder. Borrower hereby relieves the tenants from any liability to Borrower by reason of relying upon and complying

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with any such notice or demand by Lender. Lender may apply, in its sole discretion, any Payments so collected by Lender against any Secured Obligation under the Loan Documents (as defined in the Loan Agreement), whether existing on the date hereof or hereafter arising. Collection of any Payments by Lender shall not cure or waive any Event of Default or notice of Event of Default or invalidate any acts done pursuant to such notice.

- 3.3 **EFFECT OF ASSIGNMENT.** The foregoing irrevocable assignment shall not cause Lender to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Property by the tenants under any of the Leases or any other parties; for any dangerous or defective condition of the Property; or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person; or (d) responsible for or under any duty to produce rents or profits. Lender shall not directly or indirectly be liable to Borrower or any other person as a consequence of: (i) the exercise or failure to exercise by Lender, or any of Lender's employees, agents, contractors or subcontractors, any of the rights, remedies or powers granted to Lender hereunder; or (ii) the failure or refusal of Lender to perform or discharge any obligation, duty or liability of Borrower arising under the Leases.
- 3.4 **REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants that Borrower has delivered to Lender a true, accurate and complete list of all Leases, and that, except as disclosed to Lender in writing prior to the date hereof or as set forth or described in the Loan Agreement, (a) all existing Leases are in full force and effect and are enforceable in accordance with their respective terms, and no breach or default by Borrower, or event which would constitute a breach or default by Borrower after notice or the passage of time, or both, exists under any existing Leases on the part of any party; (b) no rent or other payment under any existing Lease has been paid by any tenant for more than one (1) month in advance of its accrual, and payment thereof has not otherwise been forgiven, discounted or compromised; and (c) none of the landlord's interests under any of the Leases has been transferred or assigned.
- 3.5 **COVENANTS.** Borrower covenants the terms of Section 8.13 of the Loan Agreement.
- 3.6 RESERVED
- 3.7 **LENDER RIGHT TO CURE.** If there exists an Event of Default, and if there exists a material default under a Lease by Borrower or any other contract collaterally assigned by Borrower to Lender in connection with the Loan, Borrower acknowledges and agrees (A) that Lender may, at its option, with no obligation to do so, take any actions necessary to cure such default including, without limitation, any actions that require Lender or its designee to enter onto the Property, (B) to indemnify, defend and hold Indemnitees (defined below) harmless in connection with any such action, and (C) any money advanced for any such purpose shall be secured hereby and payable by Borrower to Lender on demand, with interest thereon at the Default Rate from the date such amounts are advanced.

ARTICLE 4. SECURITY AGREEMENT

- 4.1 **SECURITY INTEREST.** Borrower hereby grants and assigns to Lender as of the Effective Date (as defined in the Loan Agreement) a security interest, to secure payment and performance of all

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of the Secured Obligations, in all of the following described personal property to the extent the same are located on or solely related to the Property, in which Borrower now or at any time hereafter has any interest (collectively, the "Collateral"):

All goods, building and other materials, supplies, inventory, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software included therein and supporting information, which are or are to be incorporated into, used in connection with, or appropriated for use on the Property; together with all Payments and other rents and security deposits derived from the Property; all inventory, accounts, cash receipts, deposit accounts pertaining solely to the Property, accounts receivable pertaining solely to the Property, contract rights, licenses, agreements, general intangibles, payment intangibles, software, chattel paper (whether electronic or tangible), instruments, documents, promissory notes, drafts, letters of credit, letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, proceeds of the sale of promissory notes, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the ownership, management, leasing, operation, sale or disposition of the Property or any business now or hereafter conducted thereon by Borrower; all development rights and credits, and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Property; all water and water rights, wells and well rights, canals and canal rights, ditches and ditch rights, springs and spring rights, and reservoirs and reservoir rights appurtenant to or associated with the Property, whether decreed or un-decreed, tributary, non-tributary or not non-tributary, surface or underground or appropriated or unappropriated, and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any of such rights; all deposits or other security now or hereafter made with or given to utility companies by Borrower with respect to the Property; all advance payments of insurance premiums made by Borrower with respect to the Property; all plans, drawings and specifications relating to the Property; all loan funds held by Lender, whether or not disbursed; all reserves, deferred payments, refunds, cost savings and payments of any kind related to the Property or any portion thereof; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing.

As to all of the above described personal property which is or which hereafter becomes a "fixture" under applicable law, it is intended by Borrower and Lender that this Security Instrument constitutes a fixture filing filed with the real estate records of Cook County, Illinois, under the Uniform Commercial Code, as amended or recodified from time to time, from the state wherein the Property is located ("UCC"), and is acknowledged and agreed to be a "mortgage" under the UCC. For purposes of this fixture filing, the "Debtor" is the Borrower and the "Secured Party" is the Lender. A description of the land which relates to the fixtures is set forth in Exhibit A attached hereto. Borrower is the record owner of such land. The filing of a financing statement covering the Collateral shall not be construed to derogate from or impair the lien or provisions of this Security Instrument with respect to any property described herein which is real property or which the parties have agreed to treat as real property. Similarly, nothing in any financing statement shall be construed to alter any of the rights of Lender under this Security Instrument or the priority of Lender's lien created hereby, and such financing statement is declared to be for the protection of Lender in the event any court shall at any time hold that notice of Lender's priority interest in any property or interests described in this Security Instrument must, in

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order to be effective against a particular class of persons, including but not limited to the Federal government and any subdivision, agency or entity of the Federal government, be filed in the UCC records.

- 4.2 **REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants that: (a) Borrower has, or will have, good title to the Collateral; (b) Borrower has not previously assigned or encumbered the Collateral, and no financing statement covering any of the Collateral has been delivered to any other person or entity; and (c) Borrower's principal place of business is located at 1926 W. Harrison, Suite 817, Chicago, Illinois.
- 4.3 **COVENANTS.** Borrower agrees: (a) to execute and deliver such documents as Lender deems necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name or the jurisdiction in which it is organized and/or registered without giving Lender prior written notice thereof; (c) to cooperate with Lender in perfecting all security interests granted herein and in obtaining such agreements from third parties as Lender deems reasonably necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of its rights hereunder; and (d) that Lender is authorized to file financing statements in the name of Borrower to perfect Lender's security interest in the Collateral.
- 4.4 **RIGHTS OF LENDER.** In addition to Lender's rights as a "Secured Party" under the UCC, Lender may, but shall not be obligated to, at any time without notice and at the expense of Borrower: (a) give notice to any person of Lender's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Lender therein; (c) inspect the Collateral upon notice required by the Loan Agreement; and (d) endorse, collect and receive any right to payment of money owing to Borrower under or from the Collateral during an Event of Default.

During an Event of Default under this Security Instrument which remains uncured, then in addition to all of Lender's rights as a "Secured Party" under the UCC or otherwise at law and in addition to Lender's rights under the Loan Documents:

- (a) Lender may (i) upon written notice, require Borrower to assemble any or all of the Collateral and make it available to Lender at a place designated by Lender; (ii) without prior notice, enter upon the Property or other place where any of the Collateral may be located and take possession of, collect, sell, lease, license or otherwise dispose of any or all of the Collateral, and store the same at locations acceptable to Lender at Borrower's expense; (iii) sell, assign and deliver at any place or in any lawful manner all or any part of the Collateral and bid and become the purchaser at any such sales; and
- (b) Lender may, for the account of Borrower and at Borrower's expense: (i) operate, use, consume, sell, lease, license or otherwise dispose of the Collateral as Lender deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise, or settlement, including insurance claims, which Lender may deem desirable or proper with respect to any of the Collateral; and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Borrower in connection with or on account of any or all of the Collateral; and
- (c) Any proceeds of any disposition of any Collateral may be applied by Lender to the payment of reasonable out-of-pocket expenses incurred by Lender in connection with the foregoing,

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including reasonable out-of-pocket third-party attorneys' fees, and the balance of such proceeds may be applied by Lender toward the payment of the Secured Obligations in such order of application as Lender may from time to time elect.

Notwithstanding any other provision hereof, Lender shall not be deemed to have accepted any property other than cash in satisfaction of any obligation of Borrower to Lender unless Borrower shall make an express written election of said remedy under the UCC or other applicable law. Borrower agrees that Lender shall have no obligation to process or prepare any Collateral for sale or other disposition. Borrower acknowledges and agrees that a disposition of the Collateral in accordance with Lender's rights and remedies as heretofore provided is a disposition thereof in a commercially reasonable manner and that ten (10) days prior notice of such disposition is commercially reasonable notice.

- 4.5 **POWER OF ATTORNEY.** Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact (such agency being coupled with an interest), and as such attorney-in-fact Lender may, without the obligation to do so, following an Event of Default which remains uncured, in Lender's name, or in the name of Borrower, prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve any of Lender's security interests and rights in or to any of the Collateral.

ARTICLE 5. RIGHTS AND DUTIES OF THE PARTIES

- 5.1 **PERFORMANCE OF SECURED OBLIGATIONS.** Borrower shall promptly pay and perform each Secured Obligation for which it is responsible hereunder or under the Loan Agreement when due. If Borrower fails to timely pay or perform any portion of the Secured Obligations (including taxes, assessments and insurance premiums), or if a legal proceeding is commenced that may materially and adversely affect Lender's rights in the Property, then Lender may (but is not obligated to), at Borrower's expense, take such action as it considers to be reasonably necessary to protect the value of the Property and Lender's rights in the Property, including the retaining of counsel, and any reasonable out-of-pocket amount so expended by Lender will be added to the Secured Obligations and will be payable by Borrower to Lender on demand, together with interest thereon from the date of advance until paid at the default rate provided in the Note.
- 5.2 **TAXES AND ASSESSMENTS.** Subject to Borrower's rights to contest payment of taxes or assessments as may be provided in the Loan Agreement, Borrower shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon the Property or any interest therein. Borrower shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any public authority upon Lender by reason of its interest in any Secured Obligation or in the Property, or by reason of any payment made to Lender pursuant to any Secured Obligation; provided, however, Borrower shall have no obligation to pay taxes which may be imposed from time to time upon Lender and which are measured by and imposed upon Lender's net income.
- 5.3 **LIENS, ENCUMBRANCES AND CHARGES.** Subject to the provisions of the Loan Agreement regarding contest rights, Borrower shall immediately discharge all liens, claims and encumbrances not approved by Lender in writing that have or may attain priority over this Security Instrument. Subject to the provisions of the Loan Agreement regarding contest rights, Borrower shall pay when due all obligations secured by, or which may become, liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Property or Collateral, or any interest therein, whether senior or subordinate hereto.

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5.4 DAMAGES; INSURANCE AND CONDEMNATION PROCEEDS.

- (a) The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Borrower to Lender and, at the written request of Lender, shall be paid directly to Lender: (i) all awards of actual damages and all other compensation payable directly or indirectly in excess of \$100,000 by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property or Collateral; (ii) all other claims and awards for actual damages to, or decrease in value of, all or any part of, or any interest in, the Property or Collateral in excess of \$100,000; (iii) all proceeds of any insurance policies (whether or not expressly required by Lender to be maintained by Borrower, including, but not limited to, earthquake insurance and terrorism insurance, if any) payable by reason of loss in excess of \$100,000 sustained to all or any part of the Property or Collateral; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law, and without regard to any requirement contained in this Security Instrument, Lender may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in such order and amounts as Lender in its sole discretion may choose, and/or Lender may release all or any part of the proceeds to Borrower upon any conditions Lender may reasonably impose. Lender may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Lender; provided, however, in no event shall Lender be responsible for any failure to collect any claim or award, regardless of the cause of the failure, including, without limitation, any malfeasance or nonfeasance by Lender or its employees or agents. Notwithstanding the foregoing, Borrower currently has an insurance claim with FM Global, made on March 15, 2019 and referenced as Claim ID Number 490997 ("Existing Claim"). Borrower may use any proceeds from the Existing Claim to (a) reimburse itself for costs and expenses previously paid by Borrower relating to the Existing Claim and (b) make repairs relating to the Existing Claim.
- (b) At its sole option, Lender may permit insurance or condemnation proceeds held by Lender to be used for repair or restoration but may condition such application upon reasonable conditions, including, without limitation: (i) the deposit with Lender of such additional funds which Lender determines are needed to pay all costs of the repair or restoration, (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (ii) the establishment of an arrangement for lien releases and disbursement of funds acceptable to Lender (the arrangement contained in the Loan Agreement for obtaining lien releases and disbursing loan funds shall be deemed reasonable with respect to disbursement of insurance or condemnation proceeds); (iii) the delivery to Lender of plans and specifications for the work, a contract for the work signed by a licensed contractor, a cost breakdown for the work and a payment and performance bond for the work, all of which shall be reasonably acceptable to Lender; and (iv) the delivery to Lender of evidence acceptable to Lender (aa) that after completion of the work the income from the Property will be sufficient to pay all expenses and debt service for the Property; (bb) of the continuation of Leases acceptable to and required by Lender; (cc) that upon completion of the work, the size, capacity and total value of the Property will be at least as great as it was before the damage or condemnation occurred; (dd) that there has been no material adverse change in the financial condition or credit of Borrower and any guarantors since the date of this Security Instrument; and (ee) of the satisfaction of any additional conditions that Lender may reasonably establish to protect its security. Borrower hereby acknowledges

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that the conditions described above are reasonable, and, if such conditions have not been satisfied within thirty (30) days of receipt by Lender of such insurance or condemnation proceeds, then Lender may apply such insurance or condemnation proceeds to pay the Secured Obligations in such order and amounts as Lender in its sole discretion may choose.

- (c) Notwithstanding provisions set forth in this Mortgage, Loan Agreement and other Loan Documents as to use of proceeds of insurance from loss, damage, destruction or casualty of the Property (except for the last two (2) sentences of Section 5.4 (a)) that so long as the Note and Loan are free from any Event of Default, Borrower shall be permitted to elect to utilize such proceeds for repair, restoration and reconstruction of the Property subject to the following conditions: (i) No such leave granted to Borrower to so elect to use insurance proceeds for repair, restoration or reconstruction shall operate to modify, alter or extend the maturity and term of the Note and Loan, (ii) If Lender so requires, such insurance proceeds shall be deposited with and administered through a customary form of commercial construction escrow established with Chicago Title Insurance Company as escrowee and shall be subject to Lender's reasonable and customary construction loan administration practices including a requirement that all required permits, customary construction builder's right insurance, and supporting waivers of lien be obtained and furnished.

5.5 **MAINTENANCE AND PRESERVATION OF THE PROPERTY.** Subject to (i) the provisions of the Loan Agreement, (ii) to the extent the Purchase Agreement has been terminated, with respect to the Existing Violations or Existing Proceedings and (iii) the current condition of the Property and Collateral, for which Borrower will have no obligation to repair, Borrower covenants: (a) to insure the Property and Collateral against such risks as set forth in the Loan Agreement, and, at Lender's written request, to provide evidence of such insurance to Lender, and to comply with the requirements of any insurance companies providing such insurance; (b) to keep the Property and Collateral in its current condition and repair; (c) not to remove or demolish the Property or Collateral or any part thereof, not to alter or add to the Property or Collateral; (d) Reserved, (e) to comply in all material respects with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character which affect the Property or Collateral and pertain to acts committed or conditions existing thereon, including, without limitation, any work, alteration, improvement or demolition mandated by such laws, covenants or requirements; and (f) not to commit or permit waste of the Property or Collateral. Borrower will not be required by Lender to cure the Existing Violations or matters related to the Existing Proceedings.

5.6 **DEFENSE AND NOTICE OF LOSSES, CLAIMS AND ACTIONS.** At Borrower's sole expense, Borrower shall protect, preserve and defend the Property and Collateral and title to and right of possession of the Property and Collateral, the security hereof and the rights and powers of Lender hereunder against all adverse claims. Borrower shall give Lender prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any material damage to the Property or Collateral and of any condemnation offer or action with respect to the Property or Collateral.

5.7 **ACTIONS BY LENDER.** From time to time, without affecting the personal liability of any person for payment of any indebtedness or performance of any obligations secured hereby, Lender, without liability therefor, may: (a) without notice, release all or any part of the Property from this Security Instrument; (b) if requested by Borrower, consent to the making of any map or plat thereof; and (c) if requested by Borrower, join in any grant of easement thereon, any declaration of covenants and

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restrictions, or any extension agreement or any agreement subordinating the lien or charge of this Security Instrument.

5.8 **Reserved.**

5.9 **COMPENSATION; EXCULPATION; INDEMNIFICATION.**

- (a) Lender shall not directly or indirectly be liable to Borrower or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Lender in this Security Instrument; (ii) the failure or refusal of Lender to perform or discharge any obligation or liability of Borrower under any agreement related to the Property or Collateral or under this Security Instrument; or (iii) any loss sustained by Borrower or any third party resulting from Lender's failure (whether by malfeasance, nonfeasance or refusal to act) to lease the Property after an Event of Default or from any other act or omission (regardless of whether same constitutes negligence) of Lender in managing the Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Lender and no such liability shall be asserted against or imposed upon Lender, and all such liability is hereby expressly waived and released by Borrower.
- (b) The provisions of Section 13.5 of the Loan Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.
- (c) Borrower shall pay all amounts and indebtedness arising under this Section immediately upon demand by Lender together with interest thereon from the date the indebtedness arises at the rate of interest then applicable to the principal balance of the Note as specified therein.

5.10 **Reserved.**

5.11 **DUE ON SALE; ENCUMBRANCE.** If the Property or a y interest therein or if any direct or indirect ownership interest in Borrower shall be sold, transferred, mortgaged, assigned, further encumbered or leased other than as permitted in the Loan Agreement, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, or if there shall be any change in the management of the Property or Borrower, in each case without the prior written consent of Lender or as expressly permitted by or in accordance with the Loan Agreement, **THEN** Lender, in its sole discretion, may at any time thereafter declare all Secured Obligations immediately due and payable.

5.12 **RELEASES, EXTENSIONS, MODIFICATIONS AND ADDITIONAL SECURITY.** Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property and Collateral or in any manner obligated under the Secured Obligations ("**Interested Parties**"), Lender may, from time to time and without notice to Borrower (i) release any person or entity from liability for the payment or performance of any Secured Obligation; (ii) take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation; or (iii) accept additional security or release all or a portion of the Property and Collateral and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of and security interests created by this Security Instrument upon the Property, the Collateral or any other security provided herein or in the other Loan Documents.

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- 5.13 **Reserved.**
- 5.14 **SUBROGATION.** Lender shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Lender pursuant to the Loan Documents or by the proceeds of any loan secured by this Security Instrument.
- 5.15 **RIGHT OF INSPECTION.** Lender, its agents, representatives and employees, may enter any part of the Property at any reasonable time for the purpose of inspecting the Property and Collateral and ascertaining Borrower's compliance with the terms hereof and the other Loan Documents.
- 5.16 **COMMUNITY FACILITIES DISTRICT.** Without obtaining the prior written consent of Lender, Borrower shall not consent to, or vote in favor of, the inclusion of all or any part of the Property in any assessment district, improvement district, community facilities district, special district, special improvement district, governmental district or other similar district (any such district, a "**Special Assessment District**"). Borrower shall promptly give notice to Lender of any notification or advice that Borrower may receive from any municipality or other third party of any intent or proposal to include all or any part of the Property in a Special Assessment District. Lender shall have the right to file a written objection to the inclusion of all or any part of the Property in a Special Assessment District, either in its own name or in the name of Borrower, and to appear at, and participate in, any hearing with respect to the formation of any such district.

ARTICLE 6. DEFAULT PROVISIONS

- 6.1 **EVENT OF DEFAULT.** The provisions of Section 11.1 of the Loan Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.
- 6.2 **RIGHTS AND REMEDIES.** At any time after the occurrence and during the continuance of an Event of Default not cured within the applicable cure period, Lender shall have each and every one of the following rights and remedies in addition to Lender's rights under the other Loan Documents:
- (a) With or without notice, to declare all Secured Obligations immediately due and payable.
 - (b) With or without notice, and without releasing Borrower from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Event of Default of Borrower and, in connection therewith, to enter upon the Property and do such acts and things as Lender deems necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Security Instrument or the rights or powers of Lender under this Security Instrument; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of Lender, is or may be senior in priority to this Security Instrument, the judgment of Lender being conclusive as between the parties hereto; (iii) to obtain insurance and to pay any premiums or charges with respect to insurance required to be carried under this Security Instrument; or (iv) to employ counsel, accountants, contractors and other appropriate persons.
 - (c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a deed of trust or mortgage or to obtain specific enforcement of the covenants of Borrower hereunder, and Borrower agrees that such covenants shall be

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specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Borrower waives the defense of laches and any applicable statute of limitations.

- (d) In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness to the decree for sale all reasonable, out-of-pocket costs, fees and expenses described in that certain Section hereof entitled Payment of Costs, Expenses and Attorney's Fees which may be paid or incurred by or on behalf of Lender to prosecute such suit, and such other reasonable out-of-pocket costs and fees including, but not limited to, reasonable out-of-pocket appraisers' fees, reasonable out-of-pocket outlays for documentary and expert evidence, reasonable out-of-pocket stenographers' charges, reasonable out-of-pocket publication costs, reasonable out-of-pocket accounting fees, reasonable out-of-pocket brokerage commissions, reasonable out-of-pocket costs of whatever nature or kind to protect and avoid impairment of the Property, and other related reasonable out-of-pocket costs and fees as shall be reasonably necessary.
- (e) To apply to a court of competent jurisdiction for and obtain the appointment of a receiver of the Property as a matter of right and without regard to the adequacy of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default.
- (f) To enter upon, possess, control, lease, manage and operate the Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Borrower or the then owner of the Property relating to the Property, to make, terminate, enforce or modify Leases of the Property upon such terms and conditions as Lender deems proper, to make repairs, alterations and improvements to the Property as necessary, in Lender's sole judgment, to protect or enhance the security hereof.
- (g) Reserved.
- (h) To resort to and realize upon the security hereunder and any other security now or later held by Lender concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Lender determines in its sole discretion.
- (i) Upon sale of the Property at any foreclosure sale, Lender may credit bid (as determined by Lender in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, to the extent permitted by law, Lender may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Property as such appraisals may be discounted or adjusted by Lender in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Lender with respect to the Property prior to foreclosure; (iii) expenses and costs which Lender anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Property prior to resale, costs of resale (e.g. commissions, reasonable attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Lender; (iv) declining trends in real property values generally and with

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respect to properties similar to the Property; (v) anticipated discounts upon resale of the Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) such other factors or matters that Lender (in its sole and absolute discretion) deems appropriate. In regard to the above, Borrower acknowledges and agrees that: (w) Lender is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Lender any additional obligations that are not imposed by law at the time the credit bid is made; (y) the amount of Lender's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between Borrower and Lender; and (z) Lender's credit bid may be (at Lender's sole and absolute discretion) higher or lower than any appraised value of the Property.

- (j) Reserved.
- (k) Exercise any and all remedies at law, equity, or under the Note, Security Instrument or other Loan Documents for such Event of Default.
- 6.3 **APPLICATION OF FORECLOSURE SALE PROCEEDS.** Except as may be otherwise required by applicable law, after deducting all reasonable out-of-pocket costs, fees and expenses of Lender, including, without limitation, cost of evidence of title and reasonable out-of-pocket third-party attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, all proceeds of any foreclosure sale shall be applied: (a) to payment of all sums expended by Lender under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (b) to payment of all other Secured Obligations; and (c) the remainder, if any, to the person or persons legally entitled thereto.
- 6.4 **APPLICATION OF OTHER SUMS.** All sums received by Lender under this Security Instrument other than those described in that certain Section hereof entitled Rights and Remedies or that certain Section hereof entitled Grant of License, less all reasonable out-of-pocket costs and expenses incurred by Lender or any receiver, including, without limitation, reasonable out-of-pocket third-party attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Lender shall determine in its sole discretion; provided, however, Lender shall have no liability for funds not actually received by Lender.
- 6.5 **NO CURE OR WAIVER.** Neither Lender's nor any receiver's entry upon and taking possession of all or any part of the Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by Lender or any receiver shall cure or waive any breach, Event of Default or notice of default under this Security Instrument, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Borrower has cured all other Events of Default), or limit or impair the status of the security, or prejudice Lender in the exercise of any right or remedy, or be construed as an affirmation by Lender of any tenancy, lease or option or a subordination of the lien of or security interests created by this Security Instrument.
- 6.6 **PAYMENT OF COSTS, EXPENSES AND ATTORNEYS' FEES.** Borrower agrees to pay to Lender promptly upon written request of Lender to Borrower all reasonable out-of-pocket costs and expenses of any kind incurred by Lender pursuant to this Article (including, without limitation,

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reasonable out-of-pocket court costs and reasonable out-of-pocket third-party attorneys' fees, whether incurred in litigation or not, including, without limitation, at trial, on appeal or in any bankruptcy or other proceeding, and the costs of any appraisals obtained in connection with a determination of the fair value of the Property) with interest from the date of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the Note as specified therein or as allowed by applicable law. In addition, Borrower will pay the reasonable out-of-pocket costs and fees for title searches, sale guarantees, publication costs, appraisal reports or environmental assessments made in preparation for and in the conduct of any such proceedings or suit, and Borrower shall pay to Lender all Lender's reasonable out-of-pocket fees hereunder, including, without limitation, any reasonable out-of-pocket third-party attorneys' fees. All of the foregoing amounts must be paid to Lender as part of any reinstatement tendered hereunder. In the event of any legal proceedings, court costs and reasonable out-of-pocket attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Lender.

- 6.7 **POWER TO FILE NOTICES AND CURE DEFAULTS.** Borrower hereby irrevocably appoints Lender and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices that Lender reasonably deems appropriate to protect Lender's interest, (b) upon the issuance of a deed pursuant to the foreclosure of the lien of this Security Instrument or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Property and Collateral, Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Lender's security interests and rights in or to any of the Property and Collateral, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute an Event of Default, Lender may perform any obligation of Borrower hereunder; provided, however, that: (i) Lender as such attorney-in-fact shall only be accountable for such funds as are actually received by Lender; and (ii) Lender shall not be liable to Borrower or any other person or entity for any failure to act (whether such failure constitutes negligence) by Lender under this Section. Furthermore, the Borrower hereby authorizes Lender and its agents or counsel to file financing statements that indicate the Collateral with the same or lesser detail, than as set forth in this Security Agreement and/or this Security Instrument, on behalf of the Borrower.
- 6.8 **REMEDIES CUMULATIVE.** All rights and remedies of Lender provided hereunder are cumulative and are in addition to all rights and remedies provided by applicable law (including specifically that of foreclosure of this Security Instrument as though it were a mortgage) or in any other agreements between Borrower and Lender. No failure on the part of Lender to exercise any of its rights hereunder arising upon any Event of Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Event of Default. No delay on the part of Lender in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Event of Default is continuing. Lender may enforce any one or more remedies or rights hereunder successively or concurrently. By accepting payment or performance of any of the Secured Obligations after its due date, Lender shall not waive the agreement contained herein that time is of the essence, nor shall Lender waive either its right to require prompt payment or performance when due of the remainder of the Secured Obligations or its right to consider the failure to so pay or perform an Event of Default.

ARTICLE 7. RESERVED

ARTICLE 8. MISCELLANEOUS PROVISIONS

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- 8.1 **NOTICES.** All notices, demands, or other communications under this Security Instrument and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Security Instrument). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Event of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) Business Days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Borrower:	Chicago Dwellings Association c/o Lawrence, Kamin, Saunders & Uhlenhop, LLC 300 South Wacker Drive, Suite 500 Chicago, Illinois 60606 Attn: Thomas F. Bennington, Jr., Attorney for Borrower
With a copy to:	Lawrence, Kamin, Saunders & Uhlenhop, LLC 300 South Wacker Drive, Suite 500 Chicago, Illinois 60606 Attn: Regina Murillo
Lender:	KAREP REIT V, LLC One Town Center Road, Suite 300 Boca Raton, Florida 33486 Attn: Russell Reiter, Esq.
With a copy to:	Latham & Watkins LLP 330 North Wabash Street, Suite 2800 Chicago, Illinois 60611 Attn: Gary Axelrod, Esq.

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove. Borrower shall forward to Lender, without delay, any notices, letters or other communications delivered to the Property or to Borrower naming Lender or any similar designation as addressee.

- 8.2 **ATTORNEYS' FEES AND EXPENSES; ENFORCEMENT.** If the Note is placed with an attorney for collection or if an attorney is engaged by Lender to exercise rights or remedies or otherwise take actions to collect thereunder or under any other Loan Document, or if suit be instituted for collection, reinforcement of rights and remedies, then in all events, Borrower agrees to pay to Lender all reasonable out-of-pocket costs of collection, exercise of remedies or rights or other assertion of claims, including, but not limited to, reasonable out-of-pocket third-party attorneys' fees, whether or not court proceedings are instituted, and, where instituted, whether in district court, appellate court, or bankruptcy court. In the event of any legal proceedings, out-of-

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pocket court costs and reasonable out-of-pocket third-party attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Lender.

- 8.3 **NO WAIVER.** No previous waiver and no failure or delay by Lender in acting with respect to the terms of the Note or this Security Instrument shall constitute a waiver of any breach, default, or failure of condition under the Note, this Security Instrument or the obligations secured thereby. A waiver of any term of the Note, this Security Instrument or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
- 8.4 **SEVERABILITY.** If any provision or obligation under this Security Instrument shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from this Security Instrument and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of this Security Instrument.
- 8.5 **HEIRS, SUCCESSORS AND ASSIGNS.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Security Instrument shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto, including, without limitation, subsequent owners of the Property or any part thereof; provided, however, that this Section does not waive or modify the provisions of that certain Section entitled Due on Sale or Encumbrance.
- 8.6 **ATTORNEY-IN-FACT.** Borrower hereby irrevocably appoints and authorizes Lender as Borrower's attorney-in-fact, which agency is coupled with an interest, and as such attorney-in-fact Lender may, without the obligation to do so, execute and/or record in Lender's or Borrower's name any notices, instruments or documents that Lender deems appropriate to protect Lender's interest under any of the Loan Documents.
- 8.7 **TIME.** Time is of the essence of each and every term herein.
- 8.8 **GOVERNING LAW AND CONSENT TO JURISDICTION.** This Security Instrument shall be governed by, and construed in accordance with, the laws of the state of Illinois. Borrower hereby consents to the jurisdiction of any federal or state court within Illinois having proper venue and also consent to service of process by any means authorized by Illinois or federal law.
- 8.9 **JOINT AND SEVERAL LIABILITY.** The liability of all persons and entities obligated in any manner hereunder and under any of the Loan Documents shall be joint and several.
- 8.10 **HEADINGS.** All article, section or other headings appearing in this Security Instrument are for convenience of reference only and shall be disregarded in construing this Security Instrument.
- 8.11 **COUNTERPARTS.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

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- 8.12 **POWERS OF ATTORNEY.** The powers of attorney granted by Borrower to Lender in this Security Instrument shall be unaffected by the disability of the principal so long as any portion of the Loan remains unpaid or unperformed. Lender shall have no obligation to exercise any of the foregoing rights and powers in any event. Lender hereby discloses that it may exercise the foregoing powers of attorney for Lender's benefit, and such authority need not be exercised for Borrower's best interest.
- 8.13 **DEFINED TERMS.** Unless otherwise defined herein, capitalized terms used in this Security Instrument shall have the meanings attributed to such terms in the Loan Agreement.
- 8.14 **RULES OF CONSTRUCTION.** The word "**Borrower**" as used herein shall include both the named Borrower and any other person at any time assuming or otherwise becoming primarily liable for all or any part of the obligations of the named Borrower under the Note and the other Loan Documents. The term "person" as used herein shall include any individual, company, trust or other legal entity of any kind whatsoever. If this Security Instrument is executed by more than one person, the term "**Borrower**" shall include all such persons. The word "**Lender**" as used herein shall include Lender, its successors, assigns and affiliates. The term "**Property**" and "**Collateral**" means all and any part of the Property and Collateral, respectively, and any interest in the Property and Collateral, respectively.
- 8.15 **USE OF SINGULAR AND PLURAL; GENDER.** When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural, and the masculine gender includes the feminine and/or neutral.
- 8.16 **EXHIBITS, SCHEDULES AND RIDERS.** All exhibits, schedules, riders and other items attached hereto are incorporated into this Security Instrument by such attachment for all purposes.
- 8.17 **INCONSISTENCIES.** The terms of the Loan Agreement are incorporated by reference. In the event of any inconsistencies between the terms of this Security Instrument and the terms of the Loan Agreement, the terms of the Loan Agreement, as applicable, shall control and prevail. In addition to and not to limit the preceding sentence, notwithstanding any term of this Security Instrument, the terms of Sections 13.11 and 13.18 of the Loan Agreement will control and prevail.
- 8.18 **MERGER.** No merger shall occur as a result of Lender's acquiring any other estate in, or any other lien on, the Property unless Lender consents to a merger in writing and in accordance with the terms of the Loan Agreement.
- 8.19 **WAIVER OF MARSHALLING RIGHTS.** Borrower, for itself and for all parties claiming through or under Borrower, and for all parties who may acquire a lien on or interest in the Property and Collateral, hereby waives all rights to have the Property and Collateral and/or any other property, which is now or later may be security for any Secured Obligation marshalled upon any foreclosure of the lien of this Security Instrument or on a foreclosure of any other lien or security interest against any security for any of the Secured Obligations. Lender shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Property and any or all of the Collateral or other property as a whole or in separate parcels, in any order that Lender may designate.
- 8.20 **ADVERTISING.** In connection with the Loan, Lender may not publicly identify details of the Loan in Lender advertising and public communications of all kinds, including, but not limited to,

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press releases, direct mail, newspapers, magazines, journals, e-mail, or internet advertising or communications.

- 8.21 **SUBORDINATION OF PROPERTY MANAGER'S LIEN.** Any property management agreement for the Property entered into from and after the date hereof with a property manager shall contain a provision whereby the property manager agrees that any and all mechanics lien rights that the property manager or anyone claiming by, through or under the property manager may have in the Property shall be subject and subordinate to the lien of this Security Instrument and shall provide that Lender may terminate such agreement at any time after the occurrence of an Event of Default hereunder. Such property management agreement or a short form thereof, at Lender's request, shall be recorded with the County Recorder of the county where the Property is located. In addition, if the property management agreement in existence as of the date hereof does not contain a subordination provision, Borrower shall cause the property manager under such agreement to enter into a subordination of the management agreement with Lender, in recordable form, whereby such property manager subordinates present and future lien rights and those of any party claiming by, through or under such property manager to the lien of this Security Instrument.
- 8.22 **Limitation of Liability.** The provisions of Section 13.11 of the Loan Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.
- 8.23 **INTEGRATION; INTERPRETATION.** The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing. The Loan Documents grant further rights to Lender and contain further rights and agreements by Borrower and Lender and affirmative and negative covenants by Borrower which apply to this Security Instrument and to the Property and Collateral and such further rights and agreements are incorporated herein by this reference.

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SIGNATURE PAGE – MORTGAGE

IN WITNESS WHEREOF, the Borrower has caused this instrument to be executed effective as of date and year first written above.

CHICAGO DWELLINGS ASSOCIATION,
an Illinois not-for-profit corporation

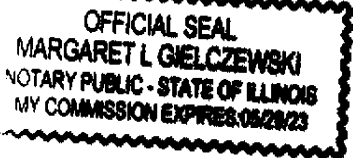
By: *Christine Oliver*
Name: CHRISTINE OLIVER
Its: PRESIDENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DOES HEREBY CERTIFY that Christine Oliver, the President of Chicago Dwellings Association, an Illinois not-for-profit corporation, who is 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 the said instrument as her own free and voluntary act and as the free and voluntary act of said limited liability company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 21st day of August, 2019.

Margaret L. Gielczewski
Notary Public



My Commission Expires:

5/29/23

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EXHIBIT A - DESCRIPTION OF PROPERTY

A TRACT OF LAND LOCATED IN THE CITY OF CHICAGO, COUNTY OF COOK, STATE OF ILLINOIS, AND LYING IN THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND BOUND BY A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF WEST CONGRESS PARKWAY WITH THE WEST LINE OF SOUTH WOLCOTT AVENUE; THENCE SOUTH ALONG THE WEST LINE OF SOUTH WOLCOTT AVENUE TO ITS INTERSECTION WITH THE NORTHWEST LINE OF WEST OGDEN AVENUE; THENCE SOUTHWESTERLY ALONG THE NORTHWEST LINE OF WEST OGDEN AVENUE TO ITS INTERSECTION WITH THE NORTH LINE OF WEST HARRISON STREET; THENCE WEST ALONG THE NORTH LINE OF WEST HARRISON STREET TO ITS INTERSECTION WITH THE EAST LINE OF SOUTH DAMEN AVENUE; THENCE NORTH ALONG THE EAST LINE OF SOUTH DAMEN AVENUE TO ITS INTERSECTION WITH THE SOUTH LINE OF WEST CONGRESS PARKWAY; THENCE EAST ALONG THE SOUTH LINE OF WEST CONGRESS PARKWAY TO THE PLACE OF BEGINNING.

EXCEPTING THAT PART OF THE LAND FALLING IN THE WEST 23.50 FEET OF BLOCK 21 IN ASHLAND'S 2ND ADDITION TO CHICAGO.

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LEGAL DESCRIPTION

Order No.: 19NW7125200PK

For APN/Parcel ID(s): 17-18-244-042-0000

A TRACT OF LAND LOCATED IN THE CITY OF CHICAGO, COUNTY OF COOK, STATE OF ILLINOIS, AND LYING IN THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND BOUND BY A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF WEST CONGRESS PARKWAY WITH THE WEST LINE OF SOUTH WOLCOTT AVENUE; THENCE SOUTH ALONG THE WEST LINE OF SOUTH WOLCOTT AVENUE TO ITS INTERSECTION WITH THE NORTHWEST LINE OF WEST OGDEN AVENUE; THENCE SOUTHWESTERLY ALONG THE NORTHWEST LINE OF WEST OGDEN AVENUE TO ITS INTERSECTION WITH THE NORTH LINE OF WEST HARRISON STREET; THENCE WEST ALONG THE NORTH LINE OF WEST HARRISON STREET TO ITS INTERSECTION WITH THE EAST LINE OF SOUTH DAMEN AVENUE; THENCE NORTH ALONG THE EAST LINE OF SOUTH DAMEN AVENUE TO ITS INTERSECTION WITH THE SOUTH LINE OF WEST CONGRESS PARKWAY; THENCE EAST ALONG THE SOUTH LINE OF WEST CONGRESS PARKWAY TO THE PLACE OF BEGINNING.

EXCEPTING THAT PART OF THE LAND FALLING IN THE WEST 23.50 FEET OF BLOCK 21 IN ASHLAND'S 2ND ADDITION TO CHICAGO.

Cook County Clerk's Office