



Doc# 2023801135 Fee \$88.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

EDWARD H. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 08/25/2020 03:38 PM PG: 1 OF 13

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud 844-768-1713

The property identified as: PIN: 03-34-201-008-0000

Address:

Street: 401 E. Kensington Road

Street line 2:

City: Mount Prospect

State: IL

ZIP Code: 60056

Lender: County of Cook

Borrower: Kensington, LLC

Loan / Mortgage Amount: \$1,800,000.00

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

S Y
P 13
S ✓
M ✓
SC Y
E ✓
INT JA

Certificate number: 6FEB925A-0291-4818-82CA-8F38D099DD3F

Execution date: 6/26/2020

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This Document Prepared By & Mail to:
 Eva L. Garrett, Esq.
 Legal Affairs
 Bureau of Economic Development
 Department of Planning and Development
 69 W. Washington, 29th Floor
 Chicago, Illinois 60602

HOME Project Number: H2018-04

[Space Above This Line for Recording Data]

JUNIOR MORTGAGE

HOME INVESTMENT PARTNERSHIPS PROGRAM

THIS JUNIOR MORTGAGE (“**Junior Mortgage**”) is made as of this 22nd day of June, 2020 between the **County of Cook**, a body politic and corporate of the State of Illinois, which is organized and existing under the laws of Illinois, whose address is 69 West Washington, Bureau of Economic Development, through its Department of Planning and Development, Suite 2900, Chicago, Illinois 60602 (the “**County**” or “**Junior Lender**”) and Kensington, LLC (herein together referred to as “**Mortgagor**”), having its principal place of business at 601 Skokie Blvd., Ste 501, Northbrook, IL 60062. Borrower has agreed to repay Lender the amount drawn down on the initial principal sum of One Million Eight Hundred Thousand and NO/100 Dollars (\$1,800,000) (the “**Loan**”) and for any additional principal loan amount advanced under that certain HOME Investment Partnerships Program Loan Agreement (“**Loan Agreement**”) bearing the same date as this Mortgage. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Loan Agreement.

The Loan is evidenced by that certain Borrower’s Note (“**Note**”) dated the same date as this Mortgage, which provides for payments, with the full debt, if not paid earlier, due and payable on the Maturity Date as defined in the Note or upon the sale, transfer, or alienation of the Property mortgaged by this Mortgage, as further specified in the Note. This Mortgage secures to Lender: (a) the repayment of the debt evidenced by the Note and the Loan Agreement, with interest and all renewals, extensions and modifications of the Note and the Loan Agreement; (b) the payment of all other sums, with interest, advanced to protect the security of this Mortgage; (c) the performance of Borrower’s covenants and agreements under this Mortgage, the Note and the Loan Agreement and other related loan documents (collectively, “**Loan Documents**”); and (d) Borrower’s compliance with the provisions of the HOME Investment Partnerships Program, 24 CFR, Part 92, as amended, (“**HOME Program**”) and all applicable laws, ordinances, rules, regulations, Office of Management and Budget circulars and executive orders applicable to the HOME Program. **For this purpose, Mortgagor does hereby mortgage, grant and convey to Lender a fee simple**

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interest in the real property located in Mount Prospect, Cook County, Illinois, legally described in Exhibit A, attached hereto and made a part hereof.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, claims or demands with respect to insurance, any and all awards made for the taking by eminent domain, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to collectively as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey a fee simple interest in the Property and that the Property is unencumbered, except for encumbrances of record accepted by the County as reflected on the County's title policy. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record accepted by the County as reflected on the County's title policy.

COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** The Loan shall bear one percent (1%) simple interest per annum on the original principal amount of the Loan. Principal will be fully deferred with interest payable on an annual basis to Lender to the extent of Available Flow (as defined in the Note) during the term of the Loan with such interest payments commencing after the Conversion Date (as defined under the Senior Loan Documents). The entire outstanding Principal shall be due on the Maturity Date as defined herein. Upon prior written notice to Borrower, Lender shall have the right to change the payment date to any other calendar day selected by Lender, in its sole and absolute discretion.

Borrower shall pay in full the outstanding principal balance and all accrued but unpaid interest upon the Maturity Date, as defined in the Note.

2. **Application of Payments.** All payments received by Lender shall be applied first to interest, if any, then to other charges, and then to principal.
3. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property. Upon Lender's request, Borrower shall make these payments directly, and upon Lender's request, promptly furnish to Lender receipts evidencing the payments.

Borrower shall pay, or cause to be paid, when due and payable all taxes, assessments, water charges, sewer charges, license fees and other charges against or in connection with the Property and shall, upon request, promptly furnish to Lender duplicate receipts. Borrower may, in good faith and with due diligence, contest the validity or amount of any such taxes or assessments, provided that (a) Borrower shall notify Lender in writing of the intention of Borrower to contest the same before any tax or assessment has been increased by any interest, penalties or costs, (b) Borrower shall first make all contested payments, under protest if Borrower desires, unless such contest shall suspend the collection thereof, or obtain full title insurance coverage over such taxes or assessments, (c) neither the Property nor any part thereof or interest therein are at any time in

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any imminent danger of being sold, forfeited, lost or interfered with, and (d) Borrower shall furnish such security as may be required in the contest or as reasonably requested by Lender.

- 4. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to the terms of Section 7 of the Loan Agreement. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 6 of this Mortgage.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower, subject to the rights of the Senior Lenders.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible, as determined by Borrower, Lender's security is not lessened after the restoration or repair of the project and Borrower is not in default under this Mortgage, the Note, the Loan Agreement or other related Loan Documents for any period beyond the date by which Borrower is required to cure such default as set forth in Lender's notice of default to Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due with any excess paid to Borrower and no such application shall require any prepayment charge or payment. If Borrower abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The thirty (30) day period will begin when the notice is given. The rights granted herein are subject to the rights of Senior Lenders.

If under Paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

- 5. Preservation and Maintenance of Property; Construction under Rehabilitation Project; Borrower's Application.** Borrower shall not destroy, damage, substantially change the Property other than as set forth in the Plans and Specifications as defined in the Loan Agreement executed this same date, allow the Property to deteriorate (other than normal wear and tear), or commit waste. Borrower shall maintain the Property in compliance with applicable municipal codes and with Property standards under the HOME Investment Partnerships Program, 24 CFR Part 92, §92.251, or as amended. Borrower shall complete on or before the construction deadline contained in Section 22 of the Loan Agreement for the Project any building or buildings now or at any time in process of erection, construction, alteration, repair or rehabilitation upon said Property. Borrower

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shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment would result in forfeiture of the Property or otherwise materially impair the lien created by this Mortgage or Lender's security interest. Borrower may cure such a default and reinstate, as provided in Paragraph 16, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Mortgage or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, knowingly gave materially false or materially inaccurate information or statements to Lender (or failed to provide Lender with any material information which the Lender requested) in connection with the loans evidenced by the Note and Loan Agreement.

- 6. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, the Note, the Loan Agreement or other related loan documents or fails to comply with the provisions of the HOME Program, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then, subject to prior reasonable written notice and the opportunity to cure for not less than thirty (30) days, Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien that has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amount disbursed by Lender under this paragraph shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

As additional security hereunder the Borrower hereby assigns to Lender the rents of the Property, provided that the Borrower shall, prior to acceleration under this Mortgage hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

- 7. Inspection.** The Lender shall have the right to inspect or may cause the inspection of the Property at all reasonable times upon prior reasonable notice and access thereto shall be permitted for that purpose subject to the rights of tenants.
- 8. Condemnation.** Subject to the rights of the Senior Lenders, which hold a fee simple mortgage in the land, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the

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proceeds shall be paid to the Lender and the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

Notwithstanding anything herein to the contrary and subject to the rights of the Senior Lenders, unless Lender and Borrower otherwise agree in writing, condemnation proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible, as determined by Borrower, Lender's security is not lessened after restoration or repair of the project and Borrower is not in default under this Mortgage, the Note or the Loan Agreement or any other related Loan Documents for any period beyond the date by which Borrower is required to cure such default as set forth in Lender's notice of default to Borrower. If the restoration or repair is not economically feasible, or Lender's security would be lessened, the condemnation proceeds shall be applied to the sums secured by this Mortgage, whether or not then due with any excess paid to Borrower and no such application shall require any prepayment charge or payment.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of the Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest nor shall Lender be required to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Note, the Loan Agreement, or any other related Loan Documents or any part thereof, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver but all of the terms, covenants, conditions and other provisions of this Mortgage and of the Note and Loan Agreement or any other related Loan Documents shall survive and continue to remain in full force and effect. No waiver shall be asserted against Lender unless in writing signed by Lender.

10. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 15. If there is more than one party signing this Mortgage as Borrower, each of Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Mortgage but does not execute the Note or Loan Agreement: (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any

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accommodations with regard to the terms of this Mortgage, the Note or the Loan Agreement without that Borrower's consent.

- 11. 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 Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.
- 12. Notices.** Any notice provided for in this Mortgage shall be deemed to have been given by delivering it or five (5) days after mailing it by certified mail, postage prepaid, return receipt requested unless applicable law requires use of another method. The notice shall be directed to the persons/entities set forth in the Loan Agreement or any other address Borrower or Lender designates by notice to the other.
- 13. Governing Law; Severability.** This Mortgage shall be governed by the laws of the State of Illinois. In the event that any provision or clause of this Mortgage or the Note or Loan Agreement or any other related Loan Documents conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note or Loan Agreement or any other related Loan Documents which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note or Loan Agreement or any other related Loan Documents are declared to be severable.
- 14. Assignment by Lender.** Lender may assign all or any portion of its interest hereunder and its rights granted herein and in the Note and Loan Agreement to any governmental entity, or to any person, trust, financial institution or corporation as Lender may determine and upon such assignment, such assignee shall thereupon succeed to all the rights, interests, and options of Lender herein and in the Note and Loan Agreement, and Lender shall thereupon have no further obligations or liabilities thereunder.
- 15. Transfer of the Property or a Beneficial Interest in Borrower; Due on Sale.** If all or any part of the Property or any interest including a beneficial interest in it is sold or transferred or otherwise alienated, except pursuant to the Purchase Option as defined in Section 25D of the Loan Agreement and except as otherwise permitted in the Loan Agreement and/or Loan Documents, without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage, in accordance with the Note, Security Agreement and all other related documents.

If Lender exercises this option, Lender shall give Borrower notice of acceleration, if applicable. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums when due, Lender may invoke any remedies permitted by this Mortgage, the Note, the Security Agreement, Loan Agreement and all other related Loan

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Documents without further notice or demand on Borrower. Notwithstanding the foregoing, the membership and other interests in the Borrower may be pledged and assigned to Senior Lenders to secure the Senior Loans.

16. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Mortgage discontinued at any time prior to the entry of a judgment enforcing this Mortgage. Those conditions are that the Borrower: (a) pays Lender all sums which then would be due under this Mortgage, the Note, the Security Agreement, the Loan Agreement and all other related Loan Documents had no acceleration occurred; (b) cures any default of any other covenants or agreements or provisions contained in this Mortgage, the Note, the Security Agreement, the Loan Agreement, all other related Loan Documents or the HOME Program; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; (d) takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unchanged; and (e) not use this provision more frequently than once every five (5) years. Upon reinstatement by Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 15.

17. Hazardous Substances. Except as disclosed by Borrower to Lender through the delivery of environmental reports or studies regarding the Property, Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 17, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 17, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

18. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement or provision in this Mortgage,

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the Note, the Security Agreement, the Loan Agreement all other related Loan Documents or the HOME Program (but not prior to acceleration under paragraph 15 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. If a default cannot be cured within thirty (30) days, but Borrower proceeds to cure within such thirty (30) day period and diligently pursues a cure, then the cure period is extended while the cure is pursued. The notice shall further inform Borrower of the right to reinstate, if applicable, after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect all expenses incurred in proceedings pursuing the remedies provided in this paragraph 18 including, but not limited to, reasonable attorneys' fees and costs of title evidence. Senior Lenders and Investor Member shall have the right to cure defaults on the same terms as the Borrower and will have the same effect as if offered by the Borrower.

- 19. Lender in Possession.** Upon acceleration under Paragraph 18 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of, and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of 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 to the sums secured by this Mortgage. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the taking of actual possession of the Property by Lender pursuant to this Paragraph 19. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower.
- 20. Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation if any.
- 21. No Offsets by Borrower.** No offset or claim that Borrower now has or may have in the future against Lender shall relieve Borrower from paying any amounts due under the Note, the Loan Agreement, the Security Agreement, this Mortgage, all other related Loan Documents or from performing any other obligations contained therein.
- 22. Riders to this Mortgage.** If one or more riders are executed by Borrower and recorded together with this Mortgage, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider(s) were a part of this Mortgage.

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23. Incorporation of Note, Security Agreement, Loan Agreement, All Other Related Loan Documents and HOME Investment Partnerships Program. The covenants or agreements of the Loan Agreement, the Note, the Security Agreement and all other related Loan Documents are incorporated herein. The provisions of the HOME Program, as amended, are incorporated herein as are the laws, ordinances, rules, regulations, Office of Management and Budget circulars and executive orders that are applicable to the HOME Program. A failure to comply with any covenant or agreement or provision of this Mortgage, the Loan Agreement, the Security Agreement, the Note, all other related Loan Documents or the HOME Program is a default. All remedies provided for in this Mortgage, the Loan Agreement or the Note are distinct and cumulative to any other right or remedy under this Mortgage, the Loan Agreement, and the Note or afforded by law or equity and may be exercised concurrently, independently, or successively.

24. Acknowledgment of Debt. Borrower shall furnish from time to time within fifteen (15) days after Lender's written request, a written statement, duly acknowledged, setting forth the amount secured by this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

25. Evidence of Real Estate Tax and Insurance Payments. If requested by Lender after the project has stabilized the Borrower must place funds, within thirty (30) days of receiving notice from the Lender, in an escrow account acceptable to the Lender for the payment of real estate taxes, if any, and insurance premiums. The amount to be deposited in such account shall be determined by the Lender on the basis of current data and reasonable estimates of expenditures of future escrow items or otherwise in accordance with applicable law. If the amount of the funds held in escrow at any time is not sufficient to pay the escrow items when due, Borrower shall place in escrow the amount necessary to make up the deficiency. Borrower agrees that all documents and information pertaining to this account will be available to the Lender and HUD upon request.

If, however, Lender does not require such an escrow, notwithstanding any other provision contained within this Mortgage, Borrower, shall, within thirty (30) days prior to expiration of Borrower's insurance policy, submit to Lender evidence of its annual payment renewing all of the insurance required herein. In addition, Borrower shall, upon receipt of its real estate tax bill, immediately forward a copy to Lender. Borrower shall, within ten (10) days from the date that such real estate taxes are due, submit to Lender evidence of full payment of the real estate taxes for that period due. In the event that Borrower obtains tax exempt status for the Property, Borrower shall, each year that the Mortgage is in effect, submit proof of such status with Lender which shall satisfy Borrower's obligation under this paragraph. Borrower's failure to submit evidence of payment of insurance and real estate taxes or evidence of tax- exempt status shall constitute a default under the terms of this Mortgage, the Note and the Loan Agreement.

26. Prior Mortgage. Borrower shall not be in default of any provision of any prior mortgage beyond any applicable cure period.

27. Non-Recourse. Notwithstanding anything in this document to the contrary, the Loan is a non- recourse obligation of Borrower. Except for losses, costs or damages incurred by Lender for fraud, material misrepresentation, or breach of the Environmental Indemnity,

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neither Borrower nor any of its member(s) shall have personal liability for repayment of the Loan or any other amounts evidenced or secured by the Loan Documents. The sole recourse for Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Property and the related security interests of the rental proceeds. However, the foregoing shall in no way limit Borrower's liability for, or as a result of, (i) fraudulent acts, or willful and wanton acts or omissions in violation of the provisions of this instrument and/or any other Loan Document including, but not limited to the Note and Loan Agreement, by, through or under Lender, (ii) the fair market value of the personalty or fixtures removed or disposed of from the Premises by Borrower in violation of the terms of the Loan Documents, (iii) the misapplication of any funds or proceeds in violation of the terms of the Loan Documents, to the full extent of such misapplied funds and proceeds, unless the misapplied funds or proceeds are appropriately reapplied, including, any funds or proceeds received under any insurance policies or awards, (iv) any misapplication of any security deposits attributable to any leases of units at the Premises, failure to pay interest on such security deposits as required by law, unless the misapplied funds or proceeds are appropriately reapplied, and (v) waste committed on the Premises to the extent that replacement reserves (as defined in the Loan Agreement) are available to remedy such waste and Borrower has failed to remedy the waste despite the written instructions of Lender.

28. Notwithstanding anything to the contrary contained herein, this Junior Mortgage and the other documents executed in connection with the Loan shall be subject to the terms and conditions of that certain Intercreditor and Subordination Agreement of even date herewith by and among Borrower, Lender, and Bank of America, N.A., a national banking association, dated as of the date hereof (the "Subordination Agreement"), until such time as the Subordination Agreement is no longer in effect. Except as expressly set forth in the Subordination Agreement, if there is a conflict or inconsistency between any term of this Junior Mortgage or any other document executed in connection with the Loan and the Subordination Agreement, the Subordination Agreement shall control.

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EXHIBIT A

THE WEST 466 FEET OF THE NORTH 217.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THE WEST 66 FEET AND EXCEPT THE NORTH 50 FEET OF THE EAST 400 FEET OF THE WEST 466 FEET THEREOF; ALSO, THE NORTH 467 FEET OF LOT 1, EXCEPT THE NORTH 17 FEET THEREOF, IN HSU'S SUBDIVISION, BEING A SUBDIVISION IN THE NORTHEAST QUARTER OF SAID SECTION 34, LYING NORTHEAST OF RAND ROAD, SAID SUBDIVISION RECORDED DECEMBER 23, 2003 AS DOCUMENT NUMBER 0335734163, ALL IN COOK COUNTY, ILLINOIS.

THE ABOVE LEGAL DESCRIPTION WILL BE REPLACED BY THE FOLLOWING UPON RECORDATION OF SAID PLAT:

LOT 1 IN PROPOSED PERLMARK RESUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE PLAT THEREOF TO BE RECORDED ON (MONTH, DAY), 2020, AS DOCUMENT 2023801132 IN THE OFFICE OF THE RECORDER OF DEEDS, IN COOK COUNTY, ILLINOIS.

PERMANENT REAL ESTATE INDEX NUMBERS:

- 03-34-201-008-0000
- 03-34-201-037-0000

COMMON ADDRESS: 401 E. KENSINGTON ROAD, MOUNT PROSPECT, ILLINOIS 60056