

# UNOFFICIAL COPY

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Boulevard Bank  
Karl Mann  
Chicago, Inc.  
12/22/86

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87198219

This Instrument Was Prepared By  
William S. McDowell, Jr.  
Hess, Kaplan and McDowell, Ltd. 87198219  
130 North LaSalle Street  
Chicago, Illinois 60601

70-99-503 01

## MORTGAGE AND SECURITY AGREEMENT

This Mortgage and Security Agreement made as of this 30 day of January, 1987, between MARGARET CALLARD (hereinafter referred to as "Mortgagor") and BOULEVARD BANK NATIONAL ASSOCIATION, having an office at 400-10 North Michigan Avenue, Chicago, Illinois 60611 (hereinafter referred to as "Mortgagee").

### WITNESSETH:

WHEREAS, Karl Mann Chicago, Inc., an Illinois Corporation ("Borrower") is or may become indebted to Mortgagee in the principal sum of Two Hundred Thousand and No/100 Dollars (\$200,000.00) as evidenced by two notes dated even date herewith executed by Borrower, and made payable to the order of and delivered to Mortgagee (hereinafter collectively referred to as the "Note"), whereby Mortgagor promises to pay the said principal sum or so much thereof as may be advanced by the holder or holders of the Note from time to time, together with interest thereon, at the rate set forth therein, in installments as set forth therein at the office of Mortgagee, or at such other place as may be designated in writing by the legal holders thereof until December 31, 1991 (the "Maturity Date") at which time the principal sum secured hereby and all accrued interest thereon shall immediately become due and payable, and

WHEREAS, up to One Hundred Thousand Dollars (\$100,000.00) of the aforesaid indebtedness consists of a loan for revolving credit (as that term is defined in Section 4.1 of "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money", approved May 24, 1879, as amended (Illinois Revised Statutes, Chapter 17, Section 6405)), and

WHEREAS, Mortgagor has a direct financial interest in Borrower, and it will be in the interest of Mortgagor to enable Borrower to obtain the loans being made by Mortgagee to Borrower described above, and Mortgagor acknowledges that this Mortgage is required by Mortgagee as a condition precedent to its making said loans,

NOW, THEREFORE, in order to secure the payment of the said principal sum and interest thereon and the performance of the covenants and agreements herein contained, Mortgagor does by these presents grant, bargain, sell, convey, and mortgage unto Mortgagee, its successors and assigns forever, the real estate and all of its estate, right, title, and interest therein situated in the City of Chicago, County of Cook, and State of Illinois, as more particularly described in Exhibit "A" attached hereto and made a part hereof (sometimes herein referred to as the "real estate"), which real estate, together with the following described property, is collectively referred to as the "premises;"

### TOGETHER WITH:

(1) all right, title, and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, vaults, and alleys adjoining the premises.

(2) all and singular the tenements, hereditaments, easements, minerals, appurtenances, passages, waters, water courses, riparian irrigation, and drainage rights, and other rights, liberties, and privileges thereof or in any way now or hereafter appertaining, including homestead and any other claim at law or in

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HESS KAPLAN  
AND MCDOWELL  
LTD  
ATTORNEYS AT LAW

equity as well as any after-acquired title, franchise, or license and the reversion and reversions and remainder and remainders thereof respecting the premises,

(3) all of Mortgagor's interest and rights as lessor in and to all leases now or hereafter affecting the real estate or any part thereof and all rents, issues, proceeds, and profits accruing and to accrue from the real estate, whether payable pursuant to any present or future lease or otherwise growing out of any occupancy or use of the premises (which are pledged primarily and on a parity with the real estate, and not secondarily),

(4) all proceeds or sums payable in lieu of or as compensation for the loss of or damage to the premises, all rights in and to all present and future fire and other hazard insurance policies pertaining to the premises, subject to the provisions of paragraphs 4 and 11 hereof and all sums at any time on deposit for the benefit of Mortgagee or held by Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage, and all awards paid or to be paid in connection with or in lieu of any condemnation, eminent domain, change of grade or similar proceeding for the taking or for the degradation in the value of all or any part of the premises, and

(5) all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the premises, and all fixtures and personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the premises, including, but not limited to, all heating, air-conditioning, sprinklers, freezing, lighting, laundry, incinerating and dynamo and generating equipment; engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing and plumbing fixtures; lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; boilers, ranges, furnaces, oil burners or units thereof; appliances, air cooling and air-conditioning apparatus; vacuum cleaning systems; elevators, escalators; shades; awnings, screens; storm doors and windows; stoves, wall beds, refrigerators, cooking apparatus and mechanical equipment, gas and electrical fixtures; partitions, mantels, built-in mirrors, window shades, blinds, furniture of public spaces, halls and lobbies; attached cabinets, ducts and compressors; rugs and carpets; draperies; furniture and furnishings used in the operations of the premises; and all additions thereto and renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner,

it being mutually agreed, intended, and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate, and covered by this Mortgage, and as to any of the property aforesaid which does not so form a part and parcel of the real estate, this Mortgage is hereby deemed to be, and is, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as Secured Party (as such term is defined in the Uniform Commercial Code), it being further understood and agreed that the provisions of this paragraph shall not apply or attach to any trade fixtures or personal property of any tenant of the premises;

TO HAVE AND TO HOLD the same unto the Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth;

PROVIDED, HOWEVER, that if the Mortgagor shall pay the principal and all interest as provided in the Note, and shall pay all other sums herein provided for, or secured hereby, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

#### MORTGAGOR FURTHER COVENANTS and agrees as follows:

1. Payment of Principal and Interest. Mortgagor shall pay promptly when due the principal and interest on the indebtedness evidenced by the Note at the times and in the manner herein and in the Note provided.

2. Tax Deposits. Mortgagor shall deposit with the Mortgagee, or a depositary designated by Mortgagee, in addition to the monthly installments of

principal and interest due under the terms of the Note, and concurrently therewith, monthly until the principal indebtedness evidenced by the Note is paid, a sum equal to all real estate taxes and assessments ("taxes") next due on the premises (all as estimated by Mortgagee in its reasonable discretion), divided by the number of months to elapse before one month prior to the date when such taxes will become due and payable. All such payments described in this Section 2 shall be held by Mortgagee or a depository designated by Mortgagee in trust without accruing or without any obligation arising for the payment of interest thereon. If the funds so deposited are insufficient to pay, when due, all taxes as aforesaid, the Mortgagor shall, within ten (10) days after receipt of demand therefor from Mortgagee or its agent, deposit such additional funds as may be necessary to pay such taxes. If the funds so deposited exceed the amounts required to pay such items, the excess shall be applied on a subsequent deposit or deposits. Neither the Mortgagee nor depository shall be liable for any failure to make the payments of taxes, unless Mortgagor, while not in default hereunder, shall have requested said Mortgagee or depository in writing to make application of such deposits to the payment of the particular taxes, accompanied by the bills for such taxes, provided, however, Mortgagee may at its option make or cause the depository to make any such application of the aforesaid deposits without any direction or request to do same by Mortgagor. Mortgagee may suspend, in whole or in part, and later reinstate, the application of this Section as often as it may determine.

3. Taxes and Other Charges. Mortgagor shall immediately pay, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, association charges, and all other charges of whatever kind, ordinary or extraordinary, whether public or private, which may be levied or imposed against the premises, and to furnish to Mortgagee official receipts therefor within thirty (30) days after payment thereof, provided, however, if Mortgagee has not suspended the monthly deposits for taxes required by Section 2 hereof, Mortgagee, at its option, either may make such deposits available to Mortgagor for the payments required under this Section 3, or may make such payments on behalf of Mortgagor. Mortgagor shall pay when due all charges incurred for the benefit of the premises for utilities, such as, but not limited to, energy, fuel, gas, electricity, water, sewer, and garbage removal, whether or not such charges are liens against the premises.

4. Insurance.

(a) Liability. Mortgagor shall (or cause its tenants to) carry and maintain in force at all times comprehensive public liability insurance as may be required from time to time by Mortgagee in forms, amounts, and with companies satisfactory to Mortgagee, and Mortgagor will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. It is understood and agreed that the amounts of coverage shall not be less than One Million and No/100 Dollars (\$1,000,000.00) (\$500,000.00 of which may be in form of an umbrella liability policy) and that the policy shall name Mortgagee as an additional insured party thereunder.

(b) Policies. Unless Mortgagee otherwise agrees, all policies of insurance required hereunder to be maintained by Mortgagor, together with evidence that the premium therefor covering a period of not less than one (1) year has been prepaid, shall be deposited with Mortgagee and shall provide for, among other things, written notice to Mortgagee of their expiration or any anticipated cancellation at least twenty (20) days prior to such event occurring. Not less than thirty (30) days prior to the expiration of any such policy, Mortgagor shall deposit an appropriate renewal or replacement policy and evidence of the premium payment therefor, as aforesaid.

5. Townhouse Declaration Provisions.

(a) Notices of Default. Mortgagor shall promptly deliver to Mortgagee a true and full copy of each and every notice of default received by Mortgagor with respect to any obligation of Mortgagor under the provisions of the Declaration pertaining to the Sutton Place Townhouses, as amended (the "Declaration"), the Rules and Regulations adopted by the Board of Managers (the "Rules and Regulations"), or the By-Laws of any corporation created to facilitate the administration and operation of said townhouse project (the "By-Laws").

(b) Mortgagor Consents. Mortgagor shall not, except with the prior written consent of Mortgagee (i) institute any action or proceeding for partition of

the property of which the premises are a part; (ii) vote for or consent to any modification of, amendment to or relaxation in the enforcement of any provision of the Declaration or By-Laws; and (iii) in the event of damage to or destruction of the property of which the premises are a part, vote in opposition to a motion to repair, restore or rebuild. In each and every case in which, under the provisions of the Declaration or the By-Laws, the consent or the vote of not less than two-thirds of the owners of units is required, Mortgagor shall not so vote or give such consent without, in each and every case, the prior written consent of Mortgagee.

(c) Insurance. It shall constitute a default under this Mortgage entitling Mortgagee at its option to accelerate the entire unpaid balance of the indebtedness secured hereby if the Board of Managers or any association caused to be incorporated by the Board of Managers pursuant to the Declaration (the "Association") fails or refuses to maintain in full force and effect a policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements, for the full insurable replacement value of the common elements and the units to provide for restoration thereof to tenantable condition in the event of damage. Such policy or policies shall be written in the name of, and the proceeds thereof shall be payable to, the members of the Board of Managers, as Trustees for each of the unit owners in the percentages established in the Declaration, and to the respective mortgagees of the unit owners, as their interest may appear. Said policy or policies shall provide for separate protection for each unit and its attached, built-in or installed fixtures and equipment to the full insurable replacement value thereof, and with a separable loss payable endorsement in favor of the mortgagee or mortgagees of each unit. Such policy or policies shall permit the waiver of subrogation and shall provide that the insurance company or companies will not look to the Board of Managers, the Association, or any unit owner for the recovery of any loss under said policy or policies. Such policy or policies shall not be cancellable except after twenty (20) days written notice to Mortgagee and a copy or a duplicate of such policy or policies shall be deposited with the Mortgagee with evidence of the payment of premiums and with renewal policies to be deposited with the Mortgagee not later than thirty (30) days prior to the expiration of existing policies. In the event that the policy or policies of insurance maintained by the Board of Managers, or the Association, insures the premises only on a contingent or conditional basis which requires the individual unit owner to provide his own insurance on his unit, then Mortgagor shall furnish to Mortgagee an original policy of fire insurance "all risk" agreed value replacement cost coverage for the premises from a company acceptable to the Mortgagee and shall have attached thereto a standard noncontributing mortgage clauses in favor of and entitling the Mortgagee alone to collect any and all of the proceeds payable under all such insurance, as well as standard waiver of subrogation endorsements. Anything hereinabove to the contrary notwithstanding, in the event the Board of Managers, or the Association, or Mortgagor fails or refuses to provide insurance coverage as above provided, Mortgagee at its election may procure such insurance, covering the premises for its benefit as Mortgagee and may add the premium therefor to the unpaid balance of the indebtedness secured hereby.

(d) Association Assessments. Mortgagor shall promptly pay as the same become due and payable all payments to the maintenance and reserve funds and all assessments as required by the Declaration or By-Laws or any resolution adopted pursuant to either thereof, and shall promptly upon demand exhibit to the Mortgagee receipts for all such payments, and in the event Mortgagor fails to make such payments as the same become due and payable, Mortgagee may from time to time at its option, but without any obligation so to do and without notice to or demand upon Mortgagor, make such payments, and the same shall be added to the debt secured hereby, and shall bear interest until repaid at the Default Interest Rate; provided, however, that the failure of Mortgagor to make any such payment or to exhibit such receipts shall, at the election of Mortgagee, constitute a breach of covenant under this Mortgage entitling Mortgagee to accelerate the indebtedness secured hereby.

(e) Association Restrictions. Mortgagor shall fully and faithfully keep, and perform each and every covenant, agreement and provision in the Declaration, By-Laws, and Rules and Regulations on the part of Mortgagor to be kept and performed, and in the event of the failure of Mortgagor so to do within the time period specified in any notice from either the Board of Managers or the Association or from Mortgagee, then in any such case, Mortgagee may from time to time at its option, but without any obligation so to do, cure or remedy any such default of Mortgagor (Mortgagor hereby authorizing Mortgagee to enter upon the premises as may be necessary for such purpose), and all sums expended by Mortgagee for such purpose, including reasonable attorneys' fees, shall be added to the debt secured

hereby, shall become immediately due and payable and shall bear interest until repaid at the Default Interest Rate; provided, however, that failure of the Mortgagor to keep or perform any such covenant, agreement or provision after any such notice shall, at the election of Mortgagee, constitute a breach of covenant under this Mortgage entitling Mortgagee to accelerate the indebtedness secured hereby.

6. Compliance with Governmental, Insurance and Other Requirements. Mortgagor shall comply with all statutes, ordinances, orders, requirements, or decrees relating to the premises or the use thereof of any federal, state, or municipal authority, except those being contested in good faith by appropriate legal action the effect of which is to stay enforcement hereof and shall observe and comply with all conditions and requirements necessary to maintain in force the insurance required under Section 4 hereof and to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions, and nonconforming uses) privileges, franchises, and concessions which are applicable to the premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the premises. Mortgagor shall duly and punctually perform and comply with all covenants and conditions expressed as binding upon it under any recorded document or any other agreement of any nature whatsoever binding upon it which pertains to the premises.

7. Liens, Encumbrances and Transfers of Ownership.

(a) Liens and Encumbrances. Mortgagor shall keep the premises free from liens of mechanics and materialmen and from all other liens, charges, and encumbrances of whatever nature, except the lien of general real estate taxes and assessments that are not yet due and payable, regardless of (i) whether the same arise voluntarily or involuntarily on the part of Mortgagor and (ii) whether the same are subordinate to, prior to, or on a parity with the lien of this Mortgage, and shall furnish to Mortgagee satisfactory evidence of the payment and discharge of any such liens, charges, and encumbrances, asserted or claimed to exist against the premises, excepting, however any lien or encumbrance expressly consented to by Mortgagee with respect to which Mortgagor shall pay, when due, the indebtedness secured thereby and upon Mortgagee's request, furnish to Mortgagee satisfactory evidence of such payment or payments. Without in any way limiting Mortgagee's right to withhold its consent to Mortgagor hereinafter granting or creating a lien against all or any part of the premises which is subordinate to the lien hereof, any lien for which such consent is given shall be subject and subordinate to all leases pertaining to the premises whether then in existence or thereafter arising, and further subject to any and all renewals, extensions, modifications, releases, increases, changes or exchanges pertaining to the indebtedness secured hereby, without the consent of such subordinate lien holder and without any obligation to give notice of any kind thereto, regardless of whether or not expressed in such consent or in the document granting such subordinate lien.

(b) Ownership Transfers. Mortgagor shall not, without the prior written consent of Mortgagee, sell, transfer, convey, encumber, or assign the title to all or any portion of the premises, or the rents, issues, or profits therefrom, whether by operation of law, voluntarily, or otherwise, and shall not contract to do any of the foregoing (any such sale, transfer, conveyance, encumbrance, assignment or agreement to do any of the foregoing being herein referred to as an "Ownership Transfer"), provided, however, that (i) anything in Section 24(b)(iv) to the contrary notwithstanding, Mortgagee shall have no right to enjoin or otherwise prohibit any Ownership Transfer, to which Mortgagee does not so consent (which consent Mortgagee may withhold for any reason) and, (ii) Mortgagee's rights and remedy in the event of any default hereunder resulting from any such Ownership Transfer to which Mortgagee has not so consented in accordance with the terms hereof, shall be to declare the indebtedness evidenced hereby to be immediately due and payable, as specified in Section 24(b)(i), and in the absence of payment upon such acceleration to pursue such other remedies as are specified in Section 24 hereof. Mortgagor shall give Mortgagee prior written notice of any proposed Ownership Transfer which requires Mortgagee's consent, as aforesaid, and shall furnish to Mortgagee such information concerning the proposed transaction and proposed transferee as Mortgagee may reasonably request. Without in any way limiting Mortgagee's right to withhold its consent to any proposed Ownership Transfer, Mortgagor agrees (i) that Mortgagee may require in connection with, and as a condition precedent, to granting its consent to any such proposed Ownership Transfer that the rate of interest on the unpaid balance of the indebtedness secured hereby be increased to a rate not exceeding Mortgagee's then current market rate, as specified by Mortgagee, and that

a transfer fee be paid in an amount specified by Mortgagee but not exceeding two percent (2%) of the then unpaid principal balance, and (ii) that in addition to any other reasons Mortgagee may have for withholding consent, such consent may be withheld if Mortgagee, in its sole discretion and judgment, decides on the basis of the general reputation, experience, and financial condition of the proposed transferee, or new Beneficial Owner if said proposed transfer is to a trustee (regardless of whether or not said transferee or Beneficial Owner will assume any personal liability) that it would not in the first instance make a loan to said proposed transferee or, if a trustee, on behalf of its proposed Beneficial Owner. Mortgagor further agrees that any such Ownership Transfer, if approved by Mortgagee, shall be at no cost to Mortgagee and that Mortgagor shall pay all costs incurred by Mortgagee in connection with such Ownership Transfer, including, but not limited to, Mortgagee's attorneys' fees. Any consent by Mortgagee to one Ownership Transfer shall not be deemed a consent to any other.

8. Stamp Tax. If at any time the United States government or any state, or municipal government shall require Internal Revenue or other documentary stamps hereon or on the Note secured hereby, or shall otherwise impose a tax or impose an assessment on this Mortgage or on the Note or shall require payment of an interest equalization tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of Mortgagee thirty (30) days after the mailing of notice of such election to Mortgagor, provided, however, said election shall be unavailing and this Mortgage and the Note shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or such (a) including interest and penalties thereon to or on behalf of Mortgagee and Mortgagor does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

9. Effect of Change in Laws Regarding Taxation. In the event of the enactment, after the date of this Mortgage, of any law of the state in which the premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if, in the opinion of counsel for Mortgagee, (i) it might be unlawful to require Mortgagor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable within thirty (30) days from the giving of such notice. Notwithstanding the foregoing, Mortgagor shall not be obligated to pay any portion of Mortgagee's federal or state income tax.

10. Mortgagee's Performance of Defaulted Acts. In case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises or contest any tax or assessment. Mortgagee is hereby authorized to make or advance, in the place and stead of the Mortgagor, any payments relating to taxes, assessments, water rates, sewer rentals, and other governmental or municipal charges, fines, impositions, or liens asserted against the premises and may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof; and the Mortgagee is further authorized to make or advance in the place and stead of the Mortgagor any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, or charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Section, and may do so whenever, in its judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, and in connection with any such advance, Mortgagee, at its option, may and is hereby authorized to obtain a continuation report of title or

title insurance policy prepared by a title insurance company of Mortgagee's choosing. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Mortgagee to protect the premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the Default Interest Rate upon notice by Mortgagee to Mortgagor of the amount so expended. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. The rights granted herein shall be exercised only if Mortgagor is in default hereunder after the expiration of any applicable cure period.

11. Eminent Domain. Mortgagee is hereby authorized to collect and receive from the condemnation authorities any and all awards heretofore or hereafter made or to be made to the present and all subsequent owners of the premises, by any governmental or other lawful authority for taking, by condemnation or eminent domain, hereby assigned by Mortgagor to Mortgagee, as aforesaid, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall give Mortgagee immediate notice of the actual or threatened commencement of any such proceedings under condemnation or eminent domain, affecting all or any part of the said premises or any easement therein or appurtenance thereof, including severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor shall make, execute, and deliver to Mortgagee, at any time or times upon request, free, clear, and discharged of any encumbrances of any kind whatsoever, any and all further assignments and instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning to Mortgagee all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. The proceeds of all such awards shall be paid to Mortgagee and may be applied by Mortgagee, at its option, after the payment of all of its expenses in connection with such proceedings, including costs and attorneys' fees, to the reduction of the indebtedness secured hereby or to restoring the improvements, in which event the same shall be paid out in the same manner as is provided, with respect to insurance proceeds, in Section 3(a) hereof. No interest shall be allowed to Mortgagor on any condemnation award paid to or held by Mortgagee.

12. Acknowledgment of Debt. Mortgagor shall furnish from time to time within seven (7) days after Mortgagee's request, a written statement, duly acknowledged, verifying the amount due upon this Mortgage (as reflected on the books and records of Mortgagee) and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

13. Rents and Leases.

(a) Mortgagee's Right of Prior Approval. All leases of the premises are and shall be subject to the approval of Mortgagee as to form, content and tenants and without limiting the generality of the foregoing, neither Mortgagor nor any Beneficial Owner shall, without Mortgagee's prior written consent, (i) make any lease of all or any part of the premises, except for actual occupancy by the lessee hereunder, (ii) execute an assignment or pledge of any rents of the premises or of any lease of all or any part of the premises, except as security for the indebtedness secured hereby, (iii) accept any prepayment of any installment of any rents more than thirty (30) days before the due date of such installment, (iv) agree to any amendment to or change in the terms of any lease previously approved by Mortgagee which substantially reduces the rent payable thereunder or materially increases any risk or liability of the lessor thereunder, or (v) permit or consent to any assignment of any such leases or subletting, except as permitted in any lease approved by Mortgagee, of all or any portion of the premises demised thereunder by any lessee under such leases.

(b) Mortgagor's Obligations. Mortgagor, or a Beneficial Owner, but in either case without any cost and expense to Mortgagee, shall (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of all or any part of the premises, on the part of the landlord thereunder to be kept and performed, (ii) enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the lessees to be kept and performed, (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of landlord or of the lessees thereunder, (iv)

transfer and assign to Mortgagee upon request of Mortgagee, any lease or leases of all or any part of the premises heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment, (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all lessees, terms of all leases, including the spaces occupied, and the rentals payable thereunder, and (vi) exercise within ten (10) days of any demand therefor by Mortgagee any right to request from the lessee under any lease of all or any part of the premises a certificate stating that lessee has accepted the Premises, that the lease is unmodified and in full force and effect, that landlord is not in default thereunder, the date to which rent has been paid in advance and any other certifications reasonably required by Mortgagee. Any default under any separate Assignment of Lessor's interest in Lease or under any Assignment of Rents given as additional security for the indebtedness secured hereby shall constitute a default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of the Mortgagee, become immediately due and payable with notice to the Mortgagee.

(c) Mortgagee Exoneration. Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagee or any Beneficial Owner, as landlord, tenant or assignor, under any of the leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord or landlord's assignee, each and all of which covenants and payments Mortgagee agrees to perform and pay.

(d) Lessee Attornment. In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each lease of all or any part of the premises made after the date of recording this Mortgage shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of Mortgagee or Beneficial Owner, as the case may be, as a result of such enforcement and shall recognize such successor in interest as landlord under such lease without change in the terms or other provisions thereof, provided, however, that said successor in interest agrees with any such lessee in writing that so long as such lessee is not in default under its lease, lessee's right to possession and enjoyment shall be and remain undisturbed and unaffected by the successor in interest or by any foreclosure proceedings thereunder and further that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the prior consent of Mortgagee or said successor in interest. Each lessee, upon request by Mortgagee or any such successor in interest, shall execute and deliver an instrument or instruments confirming such attornment, provided said successor agrees in writing as provided above that lessee may remain undisturbed and unaffected, and Mortgagee shall cause each such lease of all or any part of the premises to contain a covenant on the lessee's part evidencing its agreement to such attornment.

(e) Declaration of Subordination. At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the premises upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county wherein the premises are situated, of a unilateral declaration to that effect.

14. Inspection of Premises. Mortgagee shall permit Mortgagee or its agents to inspect the premises at all reasonable times, and access thereto shall be permitted for such purpose.

15. Inspection of Books and Records. Mortgagee shall keep and maintain full and correct records showing in detail the income and expenses of the premises and within ten (10) days after demand therefor shall allow Mortgagee to examine such books and records and all supporting vouchers and data at any time during regular business hours and from time to time on request at its offices, hereinbefore identified, or at such other location as may be mutually agreed upon.

16. Future Advances. Mortgagee may, at its option upon request of Mortgagee, at any time before full payment of this Mortgage, make further advances to Mortgagee, and the same with interest shall be on a parity with, and not subordinate to, the indebtedness evidenced by the Note and shall be secured hereby in accordance with all covenants and agreements herein contained, provided, that the



amount of principal secured hereby and remaining unpaid shall not, including the amount of such advances, exceed the original principal sum secured hereby, and provided, that if Mortgagee shall make further advances as aforesaid, Mortgagor shall repay all such advances in accordance with the note or notes, or agreement or agreements, evidencing the same, which Mortgagor shall execute and deliver to Mortgagee and which shall be payable no later than the maturity of this Mortgage and shall include such other terms as Mortgagee shall require.

17. Purpose of Loan. The entire proceeds of the loan evidenced by the Note are from a "business loan", as that term is used in Section 6404(1)(c) of Chapter 17, Illinois Revised Statutes, and Borrower's beneficiaries own and operate a "business" as that term is defined in said Section 6404(1)(c) of Chapter 17, Illinois Revised Statutes.

18. Partial Invalidity. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage and the Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage or the Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Mortgage or the Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that it or they are legal, valid and enforceable, that the remainder of this Mortgage and the Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this Mortgage and the Note shall continue in full force and effect. If under the circumstances interest in excess of the limit allowable by law shall have been paid by Mortgagor in connection with the loan evidenced by the Note, such excess shall be applied by Mortgagee to the unpaid principal balance of the Note or refunded to Mortgagor in the manner to be determined by Mortgagee and if any such excess interest has accrued, Mortgagee shall eliminate such excess interest so that under no circumstances shall interest on the loan evidenced by the Note exceed the maximum rate allowed by the law.

19. Subrogation. In the event the proceeds of the loan made by Mortgagee to Mortgagor, or any part thereof, or any amount paid out or advanced by Mortgagee, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the premises or any part thereof, then Mortgagee shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of same.

20. Mortgagee's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of said premises, Mortgagee is hereby authorized and empowered to deal with such vendee or transferee with reference to said premises, or the debt secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from said Mortgagor's covenants and undertakings hereunder, specifically including Section 7 hereof, and without Mortgagee waiving its rights to accelerate the Note as set forth in said Section 7.

21. Execution of Security Agreement and Financing Statement. Mortgagor, within ten (10) days after request by mail, shall execute, acknowledge, and deliver to Mortgagee a Security Agreement, Financing Statement, or other similar security instrument, in form satisfactory to Mortgagee, covering all property, of any kind whatsoever owned by Mortgagor, which, in the sole opinion of Mortgagee, is essential to the operation of the premises and concerning which there may be any doubt as to whether the title to same has been conveyed by or a security interest therein perfected by this Mortgage under the laws of the State of Illinois and shall further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement, or certificate or other documents as Mortgagee may request in order to perfect, preserve, maintain, continue, and extend the security instrument. Mortgagor further agrees to pay to Mortgagee, on demand, all reasonable costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing, and refiling of any such document. To the extent that this instrument may operate as a security agreement under the Uniform Commercial

Code, Mortgagee shall have all rights and remedies conferred therein for the benefit of a Secured Party (as said term is defined in the Uniform Commercial Code).

22. Releases. Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, may release any part of the premises or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Note and this Mortgage or guaranty, if any, given as additional security for the indebtedness secured hereby and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party obligated on said indebtedness herein to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person or entity personally obligated for the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to the indebtedness secured by this Mortgage.

23. Expenses Incurred by Mortgagee. Any costs, damages, expenses or fees, including reasonable attorney's fees, incurred by Mortgagee in connection with (i) sustaining the lien of this Mortgage or its priority, (ii) obtaining any commitment for title insurance or title insurance policy, (iii) protecting the premises, (iv) protecting or enforcing any of Mortgagee's rights hereunder, (v) recovering any indebtedness secured hereby, (vi) any litigation or proceedings (including, but not limited to, bankruptcy, probate and administrative law proceedings) affecting this Mortgage, the Note, or the premises, or (vii) preparing for the commencement, defense or participation in any threatened litigation or proceedings as aforesaid, or as otherwise enumerated in Section 24(c) hereof, shall be so much additional indebtedness secured hereby and shall be immediately due and payable by Mortgagor, with notice, with interest thereon at the Default Interest Rate.

#### 24. Remedies on Default.

(a) Events of Default. It shall constitute a default under this Mortgage when and (i) if any default occurs in the due and punctual payment of the entire principal sum secured hereby, or of any installment thereof, or of interest thereon, or of any installment of interest, or (ii) if any default occurs in the due and punctual performance of or compliance with any other term, covenant or condition in this Mortgage, or in the Note, or in any other instrument now or hereafter evidencing or securing said indebtedness, including, without limitation, any guaranty, assignment of rents or assignment of leases given to secure such indebtedness, or (iii) if Mortgagor, any Beneficial Owner, or any guarantor of the indebtedness secured hereby (a) is voluntarily adjudicated a bankrupt or insolvent, or (b) seeks or consents to the appointment of a receiver or trustee or custodian for itself or for all or any part of its property or (c) files a petition seeking relief under or files an answer admitting the material allegations of a petition filed against it under any bankruptcy or similar laws of the United States or any state, or (d) makes a general assignment for the benefit of creditors, (e) takes any action for the purpose of effecting any of the foregoing, or (f) is generally not paying such person's debts as such debts become due, or (iv) if any order, judgment or decree is entered upon an application of a creditor of Mortgagor (as trustee, if at the time Mortgagor is a trustee), or of any Beneficial Owner, or guarantor of the indebtedness secured hereby, without the consent of the party against whom it is entered, by a court of competent jurisdiction (a) appointing a receiver or trustee or custodian of all or a substantial part of the assets of Mortgagor (as trustee if at the time Mortgagor is a trustee) or of such Beneficial Owner or guarantor, as the case may be, or (b) approving any petition filed against Mortgagor, any Beneficial Owner or any guarantor of the indebtedness secured hereby seeking relief under any bankruptcy or other similar laws of the United States or any state and remains in force, undischarged or unstayed for a period of sixty days.

(b) Remedies. In addition to any other remedy herein specified, if any default under this Mortgage shall occur, Mortgagee may, at its option, (i) declare the entire indebtedness secured hereby to be immediately due and payable, without notice or demand (each of which is hereby expressly waived by Mortgagor) whereupon the same shall become immediately due and payable, (ii) institute proceedings for the complete foreclosure of this Mortgage, (iii) institute proceedings to collect any delinquent installment or installments of the indebtedness secured hereby without accelerating the due date of the entire indebtedness by proceeding with foreclosure of this Mortgage with respect to any delinquent installment or installments of such indebtedness only and any sale of the premises under such a foreclosure proceeding

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shall be subject to and shall not affect the unmatured part of the indebtedness and this Mortgage shall be and continue as a lien on the premises securing the unmatured indebtedness, (iv) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect, or (v) enforce this Mortgage in any other manner permitted under the laws of the state in which the premises are situated.

(c) Expense of Litigation. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee under this Mortgage or the Note there shall be allowed and included, as additional indebtedness in the judgment or decree, all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the premises.

(d) Mortgagee's Right of Possession in Case of Default. In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings whether or not the entire principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the premises, or any part thereof, personally or by its agent or attorneys, as for condition broken and Mortgagee in its discretion may enter upon and take and maintain possession of all or any part of said premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then manager of the premises relating thereto, and may exclude Mortgagor, its agents, or servants, wholly therefrom and may, as attorney in fact or agent of Mortgagor or in its own name as Mortgagee and under the powers herein granted: (i) hold, operate, manage, and control the premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the premises including actions for recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor, (ii) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same, (iii) elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof, (iv) extend or modify any then existing leases and make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and to be also binding upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser, (v) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the premises as to Mortgagee may seem judicious, (vi) insure and reinsure the premises and all risks incidental to Mortgagee's possession, operation, and management thereof, and (vii) receive all avails, rents, issues and profits.

(e) Application of Rental Proceeds. Any avails, rents, issues and profits of the premises received by Mortgagee after having possession of the premises, or pursuant to any assignment thereof to Mortgagee under the provisions of this Mortgage or of any separate Assignment of Rents or Assignment of Leases, shall be applied in payment of or on account of the following, in such order as Mortgagee (or in case of a receivership, as the court) may determine: (i) to the payment of the

operating expenses of the premises, including reasonable compensation to Mortgagee or the receiver and its agent or agents, if management of the premises has been delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases and the payment of premiums on insurance hereinabove authorized, (ii) to the payment of taxes, special assessments, and water taxes now due or which may hereafter become due on the premises, or which may become a lien prior to the lien of this Mortgage, (iii) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of said premises, including the cost from time to time of installing or replacing personal property or fixtures necessary to the operation of the premises, and of placing said property in such condition as will, in the judgment of Mortgagee or receiver, make the premises readily rentable, (iv) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale, or (v) with respect to any overplus or remaining funds, to the Mortgageor, its successors, or assigns, as their rights may appear.

(f) Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose this Mortgage, Mortgageor consents upon application by Mortgagee to the appointment of a receiver of the premises. Such appointment may be made either before or after sale without notice and without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver shall have the power to take possession, control, and care of the premises and to collect the rents, issues, and profits of the premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption (provided that the period of redemption has not been waived by Mortgageor), as well as during any further times when Mortgageor, its heirs, administrators, executors, successors, or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, and profits, and all other powers which may be necessary or are useful in such cases for the protection, possession, control, management, and operation of the premises, during the whole of said period. To the extent permitted by law, said receiver may be authorized by the court to extend or modify any then existing leases and to make new leases, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder it being understood and agreed that any such leases and the options or other such provisions to be contained therein, shall be binding upon Mortgageor and all persons whose interests in the premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser.

(g) Sale of Premises. Any real estate or any interest or estate therein sold pursuant to any court order or decree obtained pursuant to the Mortgage shall be sold in one parcel, as an entirety, or in such parcels and in such manner or order as Mortgagee, in its sole discretion, may elect, to the maximum extent permitted by the laws of the state in which the premises are situated. At any such sale, Mortgagee may bid for and acquire, as Purchaser, the premises or any part thereof, and in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness due the amount of Mortgagee's bid.

(h) Application of Proceeds From Foreclosure Sale. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 24(c) hereof, (ii) all other items which, under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon, at the Default Interest Rate, (iii) all principal and interest remaining unpaid on the Note, and (iv) any overplus to Mortgageor, its successors, or assigns, as their rights may appear.

(i) Application of Deposits Held by Mortgagee. With respect to any deposits made with or held by Mortgagee or any depository pursuant to any of the provisions of this Mortgage, in the event of a default in any of the provisions contained in this Mortgage or in the Note secured hereby, Mortgagee may, at its option, without being required to do so, apply any monies or securities which

constitute such deposits on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the premises. Such deposits are hereby pledged as additional security for the prompt payment of the Note and any other indebtedness hereunder and shall be held to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of the Mortgagor.

(j) Waiver of Statutory Rights. Mortgagor shall not apply for or avail itself of any appraisal, valuation, redemption, stay, extension, or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety. Mortgagor acknowledges and agrees that the land covered by this Mortgage at the time of execution hereof is not improved with a dwelling for not more than four families and that the proceeds of the loan secured hereby have not been, are not being and will not be used, in whole or in part, to finance the construction of a dwelling for not more than four families and that the land covered by this Mortgage is not used or intended to be used for agricultural purposes. Mortgagor warrants it has been authorized or empowered by the trust instrument or by a person having a power of direction over Mortgagor to, and Mortgagor does hereby waive any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on behalf of Mortgagor, the trust estate, all persons beneficially interested therein, and each and every person (except decree or judgment creditors of Mortgagor in its representative capacity and of the trust estate) acquiring any interest in or title to the premises subsequent to the date hereof.

(k) Waiver of Defenses. No action for the enforcement of the lien of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action of law upon the Note.

(l) Partial Payments. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the principal sum then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of the Mortgagee at that time or any subsequent time, nor nullify any prior exercise of such option or such rights of Mortgagee without its express consent except and to the extent otherwise provided by law.

(m) Tender of Payment After Acceleration. In case, after legal proceedings are instituted to foreclose the lien of this Mortgage, tender is made of the entire indebtedness due hereunder, Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, and such expenses shall be so much additional indebtedness secured by this Mortgage, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses, and charges shall have been paid in full.

(n) Delays and Omissions. No delay in the exercise of or failure to exercise any remedy or right accruing or any default under this Mortgage shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or of a different nature.

(o) Rescission of Election. Acceleration of maturity, once made by Mortgagee, may at the option of Mortgagee be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Mortgagee's option, be discontinued or dismissed, whereupon, in either of such events, Mortgagor and Mortgagee shall be restored to their former positions, and the rights, remedies and power of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

(p) Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided in the Note, in this Mortgage and in the guaranty of any

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guarantor shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor, any guarantor or the premises, or any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise, all to the maximum extent permitted by the laws of the state in which the premises are situated. If Mortgagee elects to proceed under one right or remedy under this Mortgage or the Note, Mortgagee may at any time cease proceeding under such right or remedy and proceed under any other right or remedy under this Mortgage or the Note.

25. Default Interest Rate. The term "Default Interest Rate" is deemed to mean interest at the rate of four percent (4%) per annum in excess of the interest rate from time to time prevailing under the Note until paid.

26. Giving of Notice. All notices to Mortgagor and Mortgagee that are either required or contemplated in connection with this Mortgage shall be in writing, and shall be deemed given upon the earlier of the actual receipt thereof by the party for whom it is intended and forty-eight (48) hours after mailing the same to the party for whom it is intended at said party's address first above written with postage prepaid via certified first class mail. By notice complying with the foregoing provisions of this section, either party may from time to time change its address for notice purposes, except that any such notice shall not be deemed delivered until actually received. Except as otherwise specifically required, notice of the exercise of any option granted to the Mortgagee herein, or in the Note secured hereby, is not required to be given.

27. Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage. The waiver of the options or obligations secured hereby shall not at any time thereafter be held to be abandonment of such rights.

28. Mortgagee's Lien for Service Charge and Expenses. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses, and advances due to or incurred by the Mortgagee in connection with this transaction.

29. Modifications. This Mortgage may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

30. Covenants to Run with The Land. All the covenants hereof shall run with the land.

31. Captions. The captions and headings of various sections are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

32. Construction. The place of contract and payment being located in Illinois, this Mortgage and the rights and indebtedness hereby secured shall be construed and enforced according to the laws of the State of Illinois.

33. Binding on Successors and Assigns, Definitions. This Mortgage and all provisions hereof shall extend and be binding upon Mortgagor's successors and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include and refer to (in addition to Mortgagor) all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. The word "person" as used herein means any natural person and any partnership, joint venture, corporation, association, or other legal entity. The phrase "Beneficial Owner", as used herein, means the person who owns, or if there be more than one, each of the persons who collectively own one hundred percent (100%) of the beneficial interest in and power of direction under a land trust of which any successor to the interests of Mortgagor is trustee.

34. Further Assurances. Mortgagor shall execute, acknowledge and deliver to Mortgagee and to any subsequent holder from time to time upon demand

(and pay the reasonable costs of preparation and recording thereof) any further instrument or instruments, including, but not limited to, mortgages, security agreements, financing statements, assignments and renewal and substitution notes, so as to re-affirm, to correct and to perfect the evidence of the obligation hereby secured and the lien of Mortgagee to all or any part of the premises intended to be hereby mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this Mortgage and extensions or modifications thereof, and will do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the intent of this Mortgage.

35. Recording and Filing. Mortgagor, at its expense, will cause this Mortgage and all supplements thereto for which constructive notice must be given to protect Mortgagee, at all times to be recorded and filed, and re-recorded and re-filed, in such manner and in such places as Mortgagee shall reasonably request, and will pay all such recording, filing, re-recording, re-filing taxes, fees and other charges to the maximum extent permitted by the laws of the state in which the premises are situated.

36. Right to Contest Taxes and Mechanics' Liens. The obligations of Mortgagor under Sections 3 and 7 hereof, and the rights of Mortgagee under Section 10 hereof, are subject to the right Mortgagor shall have to contest in good faith the validity or amount of any tax or assessment or lien arising from any work performed at or materials furnished to the premises which right, however, is conditional upon (i) such contest having the effect of preventing the collection of the tax, assessment or lien so contested and the sale or forfeiture of the premises or any part thereof or interest therein to satisfy the same, (ii) Mortgagor giving Mortgagee written notice of its intention to contest the same in a timely manner, which, with respect to any contested tax or assessment, shall mean before any such tax, assessment or lien has been increased by any penalties or costs, and with respect to any contested mechanic's lien claim, shall mean within ten (10) days after Mortgagee receives actual notice of the filing thereof, (iii) Mortgagor making and thereafter maintaining with Mortgagee or such other depository as Mortgagee may designate, a deposit of cash for United States government securities, in discount form, or other security as may, in Mortgagee's sole discretion, be acceptable to Mortgagee, and in either case having a present value equal to the amount herein specified in an amount not less than One Hundred Twenty-Five Percent (125%) of the amount which, in Mortgagee's reasonable opinion, determined from time to time, shall be sufficient to pay in full such contested tax, assessment or lien and penalties, costs and interest that may become due thereon in the event of a final determination thereof adverse to Mortgagor or in the event Mortgagor fails to prosecute such contest as herein required, or in lieu thereof provides title insurance or a bond reasonably acceptable to Mortgagee insuring Mortgagee against loss resulting from such contest, and (iv) Mortgagor diligently prosecuting such contest by appropriate legal proceedings. In the event Mortgagor shall fail to prosecute such contest with reasonable diligence or shall fail to maintain sufficient funds, or other security as aforesaid, or deposit as hereinabove provided, Mortgagee may, at its option, liquidate the securities deposited with Mortgagee, and apply the proceeds thereof and other monies deposited with Mortgagee in payment of, or on account of, such taxes, assessments, or liens or any portion thereof then unpaid, including the payment of all penalties and interest thereon.

37. Grace Periods. Notwithstanding any provision herein or in the Note to the contrary and in the event of any default hereunder or under the terms of the Note secured hereby on the part of the Mortgagor, Mortgagee shall be entitled to enforce the remedies therefor provided only after such default shall have continued uncorrected for five (5) days with respect to a default in the payment of any installment of principal and interest (or either of them) due under the Note or in the payment of any other monetary sum due hereunder (of which no notice shall be required) and for ten (10) days after written notice from Mortgagee to Mortgagor with respect to any other defaults, provided, however, that if any non-monetary default is of such a nature that the same cannot be cured within said ten (10) day period, Mortgagor shall have such additional period of time as may be necessary to prosecute such cure provided that Mortgagor commences such cure within the ten (10) day period and proceeds diligently thereafter to effectuate such cure.

38. Revolving Credit Loan. This Mortgage secures a revolving credit loan, as hereinabove specified, and secures not only the indebtedness thereunder existing as of the date hereof, but also such future advances, whether such advances are obligatory or to be made at the option of the lender, or otherwise, as are made





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Boulevard Bank  
Karl Mann  
Chicago, Inc.  
12/22/86

## EXHIBIT "A"

THAT PART OF A TRACT OF LAND DESCRIBED AS FOLLOWS (SAID TRACT TO BE DESCRIBED HEREINAFTER): COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID TRACT 264.58 FEET TO THE NORTHWEST CORNER OF SAID TRACT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE MOST NORTHERLY NORTH LINE OF SAID TRACT 81.66 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG A NORTH AND SOUTH LINE OF SAID TRACT 23.47 FEET TO A NORTH LINE OF SAID TRACT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG A NORTH LINE OF SAID TRACT 6.91 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID NORTH LINE OF SAID TRACT 58.93 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 24.33 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 24.33 FEET TO THE PLACE OF BEGINNING;

THE ABOVE DESCRIBED PARCEL BEING A PART OF A TRACT OF LAND COMPRISING ALL OF LOT 14 IN CHICAGO LAND CLEARANCE COMMISSION NUMBER THREE, BEING A CONSOLIDATION OF LOTS AND PARTS OF LOTS AND VACATED ALLEYS IN BRONSON'S ADDITION TO CHICAGO AND CERTAIN RESUBDIVISION ALSO ALL OF LOTS 20, 21 AND 22 AND PARTS OF LOTS 23 AND 24 IN ASSESSOR'S DIVISION OF LOTS 16 TO 23 INCLUSIVE IN BRONSON'S ADDITION TO CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 14 AND RUNNING THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ON THE WEST LINE OF SAID LOT 14 AND THE WEST LINE OF SAID LOTS 20, 21, 22, 23 AND 24, THE SAME BEING THE EAST LINE OF NORTH CLARK STREET FOR A DISTANCE OF 264.58 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 81.66 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 23.47 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 67.90 FEET TO THE WEST LINE OF A 20 FOOT PUBLIC ALLEY, THE SAME BEING THE EAST LINE OF SAID LOT 14 AND THE EAST LINE OF SAID LOTS 20, 21, 22 AND 23; THENCE SOUTH 00 DEGREES 00 MINUTES 49 SECONDS WEST ALONG SAID ALLEY LINE 241.73 FEET TO THE SOUTHEAST CORNER OF SAID LOT 14; THENCE NORTH 89 DEGREES 45 MINUTES 39 SECONDS WEST ON THE SOUTH LINE OF SAID LOT 14, THE SAME BEING THE NORTH LINE OF WEST GOETHE STREET FOR A DISTANCE OF 149.43 FEET TO THE PLACE OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Tax Index Number: 17-04-217-129

Common Address: 1317 Sutton Place, Chicago, Illinois.

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