

[Handwritten initials]

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MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

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THIS MORTGAGE made this 29th day of June, between Aurel Krecu and Zivka Krecu, his wife (hereinafter referred to as "Mortgagor") and **COMMERCIAL NATIONAL BANK OF CHICAGO**, a National Banking Association (hereinafter referred to as "Mortgagee");

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of ONE HUNDRED FIVE THOUSAND DOLLARS & NO/100 (\$105,000.00) which indebtedness is evidenced by Mortgagor's Note of even date herewith (hereinafter referred to as the "Note"), which Note provided for payments of the indebtedness as set forth therein.

NOW, THEREFORE, the Mortgagor, to secure the payment of the Note with interest thereon and any renewals or extensions thereof, the payment of all other sums with interest thereon advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of the Mortgagor herein contained, does hereby mortgage, grant and convey to Mortgagee the following described real estate located in the City of Chicago, County of Cook, State of Illinois:

LOTS 1 AND 2 IN SUBDIVISION OF LOTS 12 AND 13 IN BLOCK 3 IN NICHOLAS MILLER'S SUBDIVISION OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 7, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT EAST 511 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

COOK COUNTY, ILL. CLERK OF COURT

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MAIL TO:
THIS INSTRUMENT WAS PREPARED BY:
LOUIS P. DE MURO
COMMERCIAL NATIONAL BANK
4800 N. WESTERN AVE.
CHICAGO, ILLINOIS 60625

BOX 333 - CC

- ✓ Permanent Tax Index No. 14-07-215-001-0000
- ✓ Which real estate has the address of 5325 N. Damen Chicago, Illinois 60625, and which together with the property herein after described, is referred to as the "Premises."

TOGETHER with all improvements, tenements, easements, fixtures and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing): all fixtures, apparatus, equipment and articles, other than such as constitute trade fixtures used in the operation of any business conducted upon the Premises and distinguished from fixtures which relate to the use, occupancy and enjoyment of the Premises, it being understood that the enumeration of any specific articles of property shall in no wise exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights, hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be for the purposes of this Mortgage to be deemed to be real estate and conveyed and mortgaged hereby.

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(e) Subject to the provisions hereof, restore and rebuild any buildings or improvements now or at any time upon said property and destroyed by fire or other casualty so as to be of at least equal value and substantially the same character as prior to such damage or destruction.

(d) Complete within a reasonable time any buildings or improvements now or at any time in process of erection upon said property.

(c) Keep the Premises and all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by fire and extended other hazards in such amounts as may reasonably be hereof, but in any case in such amounts as to negate the Mortgagee being a co-insurer in the event of the occurrence of a fire or other insurance casualty. Mortgagee shall also provide and keep in effect comprehensive public liability insurance with such limits for personal injury and death and property damage as Mortgagee may reasonably require, and will also keep in effect upon the request of Mortgagee rent loss insurance in such amounts as Mortgagee may reasonably require. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts reasonably satisfactory to Mortgagee, with standard mortgage loss payable clause attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days prior written notice to the Mortgagee. Mortgagee shall deliver the original of all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration. If any renewal policy is not delivered to Mortgagee thirty (30) days before the expiration of any existing policy or policies, with evidence of premium paid, Mortgagee may, but is not obligated to, obtain the required insurance on behalf of Mortgagee (or insuror in favor of Mortgagee alone) and pay the premiums thereon. Any monies so advanced shall be so much additional indebtedness secured hereby and shall become immediately due and payable with interest thereon at an interest rate which is two percent (2%) in excess of the rate set forth in the Note. So long as any sum remains due hereunder or under the Note, Mortgagee covenants and agrees that it shall not place, or cause to be placed or issued, any separate casualty, fire, rent loss, or liability insurance from the insurance required to be maintained under the terms hereof, unless in each instance the Mortgagee herein is included therein as the payee under a standard mortgage loss payable clause. Mortgagee covenants to advise Mortgagee whenever any such separate insurance coverage is placed, issued or renewed, and agrees to deposit the original of all such other policies with Mortgagee. Application by the Mortgagee of any of the proceeds of such insurance to the indebtedness hereby secured shall not excuse the Mortgagee from making all monthly payments due under the Note.

(b) Pay immediately when due and payable and before any penalty attaches all general taxes, special taxes, special assessments, water charges, sewer service charges against the Premises, including those heretofore due, and to furnish the Mortgagee, upon request, with the original or duplicate receipts therefor, and all such items extended against said property shall be conclusively deemed valid for the purpose of this requirement. To prevent default hereunder Mortgagee shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagee may desire to contest. Pursuant to the terms of the Note, the Mortgagee shall deposit monthly an amount sufficient to pay when due and payable all general taxes and said deposits may be held without any allowance of interest and need not be kept separate and apart.

(a) Promptly repair, restore or rebuild any improvement now or hereafter on the property which may become damaged or destroyed.

2. In addition, the Mortgagee shall:

1. Mortgagee shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and the principal of and interest on the advances allowed under and secured by this Mortgage.

IT IS FURTHER UNDERSTOOD THAT:

Mortgagee covenants that Mortgagee is lawfully seized of the real estate hereby conveyed and has the right to mortgage, grant and convey the Premises, that the Premises is unencumbered and that Mortgagee will warrant and defend generally the title to the Premises against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Mortgagee's interest in the Premises.

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2. (a) In case of loss, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale or the decree creditor, as the case may be) is hereby authorized to either: (i) settle and adjust any claim under any insurance policies without the consent of Mortgagee, or (ii) allow Mortgagee to agree with the insurance company or companies on the amount to be paid upon the loss, provided, however, that the Mortgagee shall not have the right to exercise the powers granted in Paragraph 3(a) (i), except unless there is then existing an event of default hereunder or there has been entered a decree of foreclosure. In either case Mortgagee is authorized to collect and receipt for any such insurance money. In case of any such loss or damage, if, in Mortgagee's sole judgment and determination, the improvements to the Premises cannot be restored and completed, or in the event in Mortgagee's sole judgment and determination the funds collected from any such insurance settlements are deemed insufficient to pay for the full and complete restoration and repair of such damage, Mortgagee shall have the right to collect any insurance proceeds and apply the same toward payment of the indebtedness secured hereby, after deducting therefrom all expenses and fees of collection, with the further proviso that should the net insurance proceeds be insufficient to pay the then existing indebtedness secured hereby together with all accrued interest, fees and charges, Mortgagee may, at its sole election, declare the entire unpaid balance to be immediately due and payable, and Mortgagee may then treat the same as in the case of any other default hereunder. If, however, there is not an event of default hereunder and in Mortgagee's sole judgment and determination, the damage sustained to the Premises can be restored in satisfactory time, and, further, in Mortgagee's sole discretion and determination, the funds recovered from such loss either alone or with additional funds deposited by Mortgagee) are, in Mortgagee's judgment sufficient to pay the full and complete cost of such restoration, such funds will be made available for disbursement by Mortgagee on presentation of good and sufficient architect's certificates and waivers of lien; provided, however, that should any insurance company raise a defense against Mortgagee (but not against Mortgagee (but not against Mortgagee) to any claim for payment due to damage or destruction of the Premises or any part thereof by reason of fire or other casualty submitted to Mortgagee or any party on behalf of Mortgagee, or should such company raise any defense against Mortgagee (but not against Mortgagee) to such payment, then Mortgagee may, at its option, whether or not Mortgagee has received funds from any insurance settlements, declare the unpaid balances to be immediately due and payable, and Mortgagee may then treat the same as in the case of any other default hereunder, provided, however, that the Mortgagee shall not have the foregoing right so long as all payments due under the Note are being made and there is no other event of default hereunder.

(h) Comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof.

(i) Not suffer or permit any unlawful use of or any nuisance to exist on said Premises nor to diminish nor impair its value by any act or omission to act.

(j) Keep said Premises in good condition and repair without waste and free from any mechanics or other lien or claims of lien not expressly subordinated to the lien hereof.

In any case where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed only upon the disbursing party being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, cost and payment so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics lien claims. No payment prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time and at all times the party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. If the Mortgagee reasonably determines that the cost of rebuilding, repairing or restoring the buildings and improvements shall exceed the sum of \$50,000, then the Mortgagee shall approve plans and specifications of such work before such work shall be commenced. Any surplus which remains from said insurance proceeds after payment of such costs of building or restoring shall, at the option of the Mortgagee, be applied toward the indebtedness secured hereby or be paid to any party entitled thereto without interest.

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(b) In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the building or improvements, shall be used to pay the amount due in accordance with any degree of foreclosure that may be entered in any such proceeding, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same, or as the court may direct. In case of foreclosure of this Mortgage, the court in its decree may provide that the Mortgagee's clause attached to each said insurance policy be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then and in every such case, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagee, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

(c) Nothing contained in this Mortgage shall create any responsibility or obligation on the Mortgagee to collect any amount owing on any insurance policy or to rebuild, repair or replace any damaged or destroyed portion of the Premises or any improvements thereon or to perform any act hereunder.

4. Mortgagee hereby represents and covenants to Mortgagee that:

(a) Mortgagee (i), is a Trustee under a Trust duly organized, validly existing and in good standing under the laws of the State of Illinois and has complied with all conditions prerequisite to its doing business in the State of Illinois; (ii) has the power and authority to own its properties and to carry on its business as now being conducted; (iii) is qualified to do business in every jurisdiction in which the nature of its business or its properties makes such qualifications necessary; and (iv) is in compliance with all laws, regulations, ordinances and order of public authorities applicable to it.

(b) The execution, delivery and performance by Mortgagee of the Note, this Mortgage, and all additional security documents, and the borrowing evidenced by the Note; (A) are within the powers of Mortgagee; (B) have been duly authorized by all requisite actions; (C) have received all necessary governmental approval; (D) do not violate any provision of any law, any order of any court or agency of government or any indenture, agreement or other instrument to which Mortgagee is a party, or by which it or any portion of the Premises is bound; and (E) are not in conflict with, nor will it result in breach of, or constitute (with due notice and/or lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever, upon any of its property or assets, except as contemplated by the provisions of this Mortgage and any additional documents securing the Note.

(c) The Note, this Mortgage, and all additional documents securing the Note, when executed and delivered by Mortgagee, will constitute the legal, valid and binding obligations of Mortgagee, and other obligors named therein, if any, in accordance with their respective terms; subject, however, to such exculpation provisions as may be hereinafter specifically set forth.

(d) All other information, reports, papers, balance sheets, statements of profit and loss, and data given to Mortgagee, its agents, employees, representatives or counsel in respect of Mortgagee or other obligors securing the payment of this Mortgage and all other documents securing the payment of the Note are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Mortgagee a true and accurate knowledge of the subject matter.

(e) There is not now pending against or affecting Mortgagee or others obligated under the terms of this Mortgage and all other documents securing the payment of the Note, nor, to the knowledge of Mortgagee or others obligated under the terms of this Mortgage, any action, suit or proceeding at law or in equity or by or before any administrative agency which if adversely determined would materially impair or affect the financial condition or operation of Mortgagee or the Premises.

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9. Upon the commencement of any foreclosure proceeding hereunder, the court in which such bill may at any time, either before or after sale, and without regard to the solvency of the Mortgagor or the value of said Premises, or whether the same shall then be occupied by the owner of the equity of redemption as a homestead or appoint either the Mortgagor or a receiver, with power to manage and rent and to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and the statutory period of redemption, and such rents, issues and profits, when collected, may be applied before as well as after the foreclosure, towards the payment of the indebtedness, costs, taxes, insurance or other items including the expenses of such receivership, or on any deficiency decree whether there be a decree therefor in personam or not, and if a receiver shall be

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8. Time is of the essence hereof, and if default be made in performance of any covenant herein contained or contained in the Note or any other document evidencing and/or securing the indebtedness evidenced by the Note, or in making any payment under said Note or obligation or any extension or renewal thereof, or if proceedings be instituted to enforce any other lien or charge upon any of the Premises, or upon the filing of a proceeding in bankruptcy or against the Mortgagor, or if the Mortgagor shall make an assignment for the benefit of its creditors or if its property be placed under control of or in custody of any court or officer of the government, or if the Mortgagor abandons the Premises, or fails to pay when due any charge or assessment (whether for insurance premiums, maintenance, taxes, capital improvement), then and in any of said events, the Mortgagor is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagor hereunder, to declare, without notice or summons secured hereby immediately due and payable, whether or not such default be remedied by Mortgagor and apply toward the payment of said mortgage indebtedness any indebtedness of the Mortgagor to the Mortgagor, and said Mortgage may also immediately proceed to foreclose this Mortgage, and in any foreclosure a sale may be made of the Premises en masse without the offering of the several parts separately.

7. It is the intent hereof to secure payment of the Note whether the entire amount shall have been advanced to the Mortgagor at the date hereof or at a later date, or having been advanced, shall have been repaid in part and further advances made at a later date, which advances shall in no event cause the principal sum of the indebtedness, plus any interest due thereon, plus any amount or amounts that may be added to the indebtedness, plus any interest due thereon, plus any amount or amounts that may be added to the indebtedness or securing the terms of this Mortgage or any other document evidencing or securing the indebtedness under the terms of this Mortgage or any other document evidencing or securing the indebtedness evidenced by the Note, to exceed the sum of Five Million and no/100 Dollars (\$5,000,000.00).

6. In the case of a failure to perform any of the covenants herein, or if any action or proceeding is commenced which materially affects Mortgagor's interest in the Premises, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, the Mortgagor may do on the Mortgagor's behalf everything so covenanted; the Mortgagor may also do any act it may deem necessary to protect the lien hereof; and the Mortgagor will repay upon demand any monies paid or disbursed by the Mortgagor, including reasonable attorneys' fees and expenses, for any of the above purposes and such monies together with interest at the rate set forth in the Note secured hereby shall become so much additional indebtedness hereby secured and may be included in any decree foreclosing this Mortgage and be paid out of the rents or proceeds of sale of said Premises, if not otherwise paid. It shall not be obligatory upon the Mortgagor to inquire into the validity of any lien, encumbrance, or claim in advancing monies as above authorized, but nothing herein contained shall be construed as requiring the Mortgagor to advance any monies for any purpose nor to do any act hereunder; and the Mortgagor shall not incur any personal liability because of anything it may do or omit to do hereunder nor shall any acts of Mortgagor act as a waiver of Mortgagor's right to accrete the maturity of the indebtedness secured by this Mortgage or to proceed to foreclose this Mortgage.

5. Any sale, conveyance, transfer, pledge, mortgage or other encumbrance of any right, title or interest in the Premises or any portion thereof, or any sale, transfer or assignment (either outright or collateral) of all or any part of the beneficial interest in any trust holding title to the Premises, without the prior written approval of the Mortgagor shall, at the option of the Mortgagor, constitute a default hereunder, in which event the holder of the Note may declare the entire indebtedness evidenced by said Note to be immediately due and payable and foreclose this Mortgage immediately or at any time such default occurs; PROVIDED, HOWEVER, that sales, conveyances or transfers are permissible when and if the transferee's creditworthiness and management ability are satisfactory to the Mortgagor, and the transferee has executed any and all assumption documents and satisfied any and all other requirements of the Mortgage prior to such sale, conveyance or transfer.

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16. Mortgagor assigns to Mortgagee and authorizes the Mortgagee to negotiate for and collect any award for condemnation of all or any part of the Premises. The Mortgagee may, in its discretion, apply any such award to amounts due hereunder, or for restoration of the Premises.

15. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay all costs of recordings of any documentation necessary to release this Mortgage.

Mortgagee when given in the manner designated herein. Mortgagee may designate by notice to Mortgagor as provided herein, return as provided herein and any notice to Mortgagee shall be given by certified mail, receipt requested, to Mortgagee's address stated herein, or to such other address as Mortgagee may designate by notice to Mortgagee as provided herein and any notice to Mortgagee or at such other address as Mortgagee may designate by notice to Mortgagee as provided herein shall be given by mailing such notice by certified mail addressed to Mortgagor at 5557 N Forest, Chicago, Illinois 60630.

14. Except to the extent any notice shall be required under applicable law to be given in another manner, any notice to Mortgagor shall be given by mailing such notice to the extent any notice shall be required under applicable law to be given in another manner, any notice to Mortgagor shall be given by mailing such notice by certified mail addressed to Mortgagor at 5557 N Forest, Chicago, Illinois 60630.

13. The covenants contained herein shall bind and the rights hereunder shall inure to the respective successors and assigns of Mortgagor and Mortgagee, subject to the provisions of Paragraph 5 hereof. All covenants and agreements of Mortgagor shall be binding upon the beneficiaries of Mortgagor and any other party claiming any interest in the Premises under Mortgagor.

12. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or any other document, or afforded to Mortgagee by law or equity and may be exercised concurrently, independently or successively, at Mortgagee's sole discretion.

11. Any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee (shall) not be a waiver of Mortgagee's right to accelerate the indebtedness secured by this Mortgage.

10. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release in any manner the liability of the original Mortgagor and/or Mortgagee's successor in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sum secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagee's successors in interest.

9. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release in any manner the liability of the original Mortgagor and/or Mortgagee's successor in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sum secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagee's successors in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sum secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagee's successors in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sum secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagee's successors in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sum secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagee's successors in interest.

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17. Mortgagor shall not and will not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "mortgage laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement of foreclosure of this Mortgage, but hereby waives the benefit of such laws. MORTGAGOR DOES HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OF DECREE OF FORECLOSURE OF THIS MORTGAGE OF JUDGMENT CREDITORS OF THE MORTGAGOR IN THEIR REPRESENTATIVE CAPACITY AND OF THE TRUST ESTATE, ACQUIRING ANY INTEREST IN OR TITLE TO THE SUBSEQUENT TO THE DATE OF THIS MORTGAGE.
18. Mortgagee shall upon reasonable notice have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.
19. Mortgagor and its beneficiaries will at all times deliver to the Mortgagee, upon its request, duplicate originals or certified copies of all leases, agreements and documents relating to the Premises and shall permit access by the Mortgagee to its books and records, insurance policies and other papers for examination and making copies and extracts thereof. The Mortgagee, its agents and designees shall have the right upon reasonable notice to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.
20. Mortgagee is making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimated procees from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claims thereof; or (b) for the purchase, discharge, compromise, or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.
21. Mortgagor, through its beneficiaries, shall maintain with the Mortgagee for so long as this Mortgage is in effect a demand deposit non-interest bearing operating account for the Premises.
22. The Mortgagor will except to the extent paid by lessors) pay all utility charges incurred in connection with the Premises and all improvements thereon and maintain all utility services now or hereafter available for use at the Premises.
23. If the Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (the Act), the Mortgagor will keep the Premises covered for the term of the Note by flood insurance up to the maximum limit of coverage available under the Act.
24. This Mortgage shall be governed by the law of the State of Illinois. In the event one or more of the provisions contained in this Mortgage shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.
25. In the event of a deficiency upon a sale of the Premises pledged hereunder by Mortgagor, then the Mortgagee's beneficiaries shall forthwith pay such deficiency, including all expenses and fees which may be incurred by the holder of the Note in enforcing any of the terms and provisions of this Mortgage.
26. Mortgagor, through its beneficiaries, shall furnish to Mortgagee an annual operating statement of income and expenses for the Premises signed and certified by the Mortgagee's beneficiaries. Within fifteen days after demand by Mortgagee, the Mortgagee or beneficiary of Mortgagee shall deliver a certified rent roll and such other information as Mortgagee may request.
27. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word "Mortgagor" shall include all persons claiming under or through Mortgagee 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. Wherever used, the singular number shall include the plural, the singular, and the use of any gender shall be applicable to all genders.

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28. (a) To further secure the indebtedness secured hereby, Mortgagor does hereby sell, assign and transfer unto the Mortgagee all the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by the Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases and agreements, and all the avals thereunder, unto the Mortgagee, and Mortgagor does hereby appoint irrevocably the Mortgagee its true and lawful attorney in its name and stand (with or without taking possession of the Premises) to rent, lease or let all or any portion of the Premises to any part or parties at such rental and upon such terms as said Mortgagee shall, in its discretion, determine, and to collect hereafter, exist on the Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Mortgagee would have upon taking possession of the Premises.

(b) The Mortgagee represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than two installments in advance, and that the payment of none of the rents to accrue for any portion of the Premises has been or will be waived, released, reduced, discontinued, or otherwise discharged or compromised by the Mortgagee. The Mortgagee waives any rights or set off against any person in possession of any portion of the Premises. Mortgagee agrees that it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises.

(c) Nothing herein contained shall be construed as constituting the Mortgagee as a mortgagee in possession in the absence of the taking of actual possession of the Premises by Mortgagee. In the exercise of the powers herein granted the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagee.

(d) The Mortgagee further agrees to assign and transfer to the Mortgagee all future leases regarding all or any part of the Premises heretofore described and to execute and deliver, at the request of the Mortgagee, all such further assurances and assignments in the Premises as the Mortgagee shall from time to time require.

(e) Although it is the intention of the parties that the assignment contained in this Paragraph 28 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as Mortgagee is not in default hereunder or under the Note, it shall have the privilege of collecting and retaining the rents accruing under the leases assigned hereby, until such time as Mortgagee shall elect to collect such rents pursuant to the terms and provisions of this Mortgage.

(f) The Mortgagee shall not be obliged to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and the Mortgagee shall and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of from any and all claims and demands whatsoever or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should the Mortgagee incur any such liability, loss or damage under said leases or under or by reason of the Assignment, it shall be secured hereby, and the Mortgagee shall reimburse the Mortgagee therefor immediately upon demand.

29. The Mortgagee, in the exercise of the rights and powers heretofore conferred upon it by Paragraph 28 hereof, shall have full power to use and apply the avals, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as the Mortgagee may determine:

(a) To the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agent or agents, if management be delegated to any agent or agents, and shall include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinafter authorized;

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32. (a) This Mortgage shall be deemed a Security Agreement as defined in the Illinois Commercial Code. This Mortgage creates a security interest in favor of Mortgagee in all property including all personal property, fixtures and goods affecting property either referred to or described herein or in anyway connected with the use or enjoyment of the Premises. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Commercial Code, all at Mortgagee's sole election. Mortgagee and Mortgagor agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anyway derogating from or impairing this declaration and the hereby stated intention of the parties hereto, that everything used in connection with the production of income from the Premises and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such items is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a record contained herein or in any list filed with the Mortgage, or (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the right in or the proceeds of any five and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property mortgaged hereby, whether pursuant to lease or otherwise, shall never be construed as in anyway altering any of the rights or Mortgagee as determined by this instrument or impugning the priority of the Mortgagee's lien granted or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of the Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal Government and any subdivisions or entity of the Federal Government, must be filed in the Commercial Code records.

(b) Mortgagor and its beneficiaries hereby indemnify and save Mortgagee harmless of and from all loss, cost (including reasonably attorneys' fees) liability, and damages whatsoever incurred by Mortgagee by reason of any violation or any applicable statute or regulation from the protection of the environment which occurs upon the Premises, or by reason of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation; provided that, to the extent that Mortgagee is strictly liable under any such statute, Mortgagor's obligation to Mortgagee under this indemnity shall likewise be without regard to fault on the part of Mortgagor with respect to the violation of law which results in liability to Mortgagee.

31. (a) Mortgagor covenants that the buildings and other improvements constituted on, under or above the subject real estate will be used and maintained in accordance with the applicable E.P.A. regulations and the use of said buildings by Mortgagor, or Mortgagor's lessees, will not unduly or unreasonably pollute the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations; and in case Mortgagor (or said lessees) are served with notice of violation by any such E.P.A. Agency or other municipal body, that it will immediately cure such violations and abate whatever nuisance or violation is claimed or alleged to exist.

30. Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the indebtedness secured hereby, or otherwise.

(d) To the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

(c) To the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, and of placing said property in such condition as will, in the judgment of the Mortgagee, make it readily rentable;

(b) To the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

