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THIS MORTGAGE AND THE LIEN AND SECURITY INTERESTS CREATED HEREBY ARE SUBJECT AND SUBORDINATE TO THE LIEN AND SECURITY INTERESTS OF A CERTAIN MORTGAGE DATED AUGUST 1, 1984 (THE "SENIOR MORTGAGE") MADE BY MORTGAGOR IN FAVOR OF GOLD MOUNTAIN BANK (THE "SENIOR MORTGAGE") AND RECORDED ON AUGUST 10, 1984, AS DOCUMENT NUMBER 2302790 IN THE OFFICE OF THE RECORDER OF DEEDS OF LAKE COUNTY, ILLINOIS AND RE-RECORDED ON OCTOBER 3, 1984, AS DOCUMENT NUMBER 27-279-588 IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, WHICH MORTGAGE WAS MODIFIED AND EXTENDED BY THAT CERTAIN MODIFICATION AND EXTENSION AGREEMENT DATED AUGUST 1, 1986, AND RECORDED SEPTEMBER 30, 1986, AS DOCUMENT NUMBER 86446357, ALL IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS.

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B. The Mortgagor's beneficiary has concurrently herewith executed and delivered a Note (the "Note"), a copy of which Note is attached hereto and made a part hereof as Exhibit A, of even date herewith in the principal sum of ONE MILLION EIGHT HUNDRED FORTY-ONE THOUSAND AND NO/100 DOLLARS (\$1,841,000.00) [the "Credit"], payable to the order of the Mortgagee in and by which Note the beneficiary of Mortgagee promises to pay the principal sum with interest thereon at the rate or rates, at the time or times and in the manner as provided in the Note with a final payment of the balance of the principal sum then remaining unpaid and all accrued interest thereon, if not sooner paid, due and payable on the "Maturity Date" (as such term is defined in the Note).

A. The Mortgagor is the owner of record of the "Mortgaged Premises" (as such term is herein defined).

RECITALS:

THIS JUNIOR MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (this "Mortgage") is made and entered into this 17th day of June, 1989, by and between (1) GLENVIEW STATE BANK, not personally, but solely as Trustee under that certain Trust Agreement dated October 15, 1971 and known as Trust No. 802 (herein referred to as the "Mortgagor") and (2) TETRON CAPITAL CORPORATION, a California corporation (herein referred to as the "Mortgagee").

JUNIOR MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Raymond S. McLaugh, Esq.  
BURKE, WILSON & McILVAINE  
500 West Madison Street, Suite 3700  
Chicago, Illinois 60606  
(312) 715-5000

THIS INSTRUMENT PREPARED BY AND UPON RECORDATION RETURN TO:  
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BOX 333

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TOGETHER WITH all machinery, apparatus, equipment, goods, systems, fittings and fixtures of every kind and nature whatsoever, now or hereafter located in or upon or affixed or appurtenant to the Real Estate or the buildings, structures and improvements thereon, or any part thereof, now owned or hereafter acquired by the Mortgagor and used or usable in connection with any present or future operations of the Real Estate or such buildings, structures and improvements, including, but without limitation upon the generality of the foregoing, all heating, lighting, incinerating, refrigerating, ventilating, air-conditioning, air-cooling, fire extinguishing, elevator, lifting, plumbing, sprinkling, cleaning, communications and power equipment, systems, fittings and apparatus; all gas, water and electrical equipment, systems, fittings and apparatus; all bathtubs, sinks, water closets, basins, mirrors, mantles, refrigerators, iceboxes, dishwashers, furniture, laundry equipment, cooking apparatus and appurtenances, radio and public address systems and antenna systems; landscaping, gardening, sweeping, vacuuming and other cleaning and maintenance equipment; wastepaper baskets, tools, building supplies, lobby decorations, outdoor furniture and swimming pool equipment; and all engines, motors, tanks, pipes, pumps, appliances, screens, storm doors, storm windows, shades, blinds, awnings, floor coverings, cabinets, partitions, conduits, ducts and compressors, and all the right, title

and all extensions and replacements thereof, if any, now or hereafter located or erected thereon;

TOGETHER WITH all buildings, structures and improvements, including without limitation, all additions and alterations thereto

right, title and interest of the Mortgagor in the Real Estate; "Real Estate") and (2) the present and hereafter acquired estate, this Mortgage (said real property being herein referred to as the Illinois and described on Exhibit B attached to and made a part of certain real property situated in Prospect Heights, Cook County, warrant and convey unto the Mortgagee, its successors and assigns, acknowledge, Mortgagee does, by these presents, mortgage, grant, release, alien, assign, transfer, pledge, hypothecate, able considerations, the receipt and sufficiency whereof are hereby sum of Ten Dollars (\$10.00) in hand paid and other good and value to be paid, performed and observed and also in consideration of the (any such person(s) being herein referred to as "Other Obligor") person(s) now or hereafter any way liable or obligated therefor observance of the liabilities by the Mortgagor and any other NOW, THEREFORE, to secure the payment, performance and

C. The Mortgagee requires this Mortgage to be made, executed and delivered and the Mortgagor desires to make, execute and deliver this Mortgage in consideration of the extension of the Credit and as security for the payment and performance of the "liabilities" (as such term is herein defined), including, without limitation, the credit, and all accrued interest thereon.

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TOGETHER WITH any and all awards, proceeds or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Real Estate, any easement therein or appurtenant thereto, or any other property above described as a result of (a) any taking or condemnation thereof, in whole or in part, pursuant to or by reason of eminent domain proceedings, or under threat or in lieu thereof, (b) the alteration of the grade of any street, road, alley or other public way or (c) any other injury to or decrease in the value of the Real Estate and other property above-described, by reason of fire or any other casualty, event or circumstance, to the extent of the liabilities at the date of receipt by the Mortgagee of any such awards,

TOGETHER WITH all other right, title, interest, estate or other claims of every kind and character, both at law and in equity, which the Mortgagee now has or at any time hereafter acquires in and to the Real Estate and any other property herein described, or any part thereof, and all other property of the Mortgagee that is used or useful in connection with the Real Estate; and

TOGETHER WITH all and singular the easements, estates, rights, consents, rights-of-way, liberties, licenses, permits, privileges, servitudes, tenements, hereditaments, appurtenances now or hereafter therunto belonging or appertaining in any way, whether created by contract, law, ordinance or otherwise, and the reversion or reversions, remainder or remainders thereof, and all rents, earnings, income, profits and avails thereof for so long and during all such time as the Mortgagee may be entitled thereto (which are pledged primarily and on a parity with the Real Estate and not secondarily);

TOGETHER WITH all the right, title and interest, if any, of the Mortgagee in and to the land lying in the streets, roads, alleys and other public ways (before or after vacation thereof) adjoining the Real Estate;

TOGETHER WITH all and singular the easements, estates, rights, consents, rights-of-way, liberties, licenses, permits, privileges, servitudes, tenements, hereditaments, appurtenances now or hereafter therunto belonging or appertaining in any way, whether created by contract, law, ordinance or otherwise, and the reversion or reversions, remainder or remainders thereof, and all rents, earnings, income, profits and avails thereof for so long and during all such time as the Mortgagee may be entitled thereto (which are pledged primarily and on a parity with the Real Estate and not secondarily);

TOGETHER WITH all and singular the easements, estates, rights, consents, rights-of-way, liberties, licenses, permits, privileges, servitudes, tenements, hereditaments, appurtenances now or hereafter therunto belonging or appertaining in any way, whether created by contract, law, ordinance or otherwise, and the reversion or reversions, remainder or remainders thereof, and all rents, earnings, income, profits and avails thereof for so long and during all such time as the Mortgagee may be entitled thereto (which are pledged primarily and on a parity with the Real Estate and not secondarily);

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proceeds or payments, and of court costs and attorneys' fees, costs and disbursements incurred or sustained by the Mortgagee in connection with the collection of such awards, proceeds or payments. The Mortgagee agrees to execute and deliver, from time to time, such further instruments as may be requested by the Mortgagee to confirm such assignment to the Mortgagee of any such awards, proceeds or payments. The Real Estate, and all appurtenances, equipment, property, interests and rights hereinabove described, are herein sometimes collectively or severally, as the context requires, referred to as the "Mortgaged Premises."

TO HAVE AND TO HOLD the Mortgaged Premises unto the Mortgagee, its successors and assigns, forever, for the purposes and upon the uses herein set forth.

THIS MORTGAGE IS GIVEN TO SECURE the prompt payment and performance of each and all of the following (the same being herein sometimes collectively referred to as the "Liabilities"):

(a) the Credit, and all accrued interest thereon as and when due in accordance with the Note;

(b) all other indebtedness, charges, sums and obligations including, without limitation, late charges, which the Mortgagee or any other obligor is obligated to pay under, pursuant to or in connection with the Note, this Mortgage and the "Other Loan Documents" (as such term is herein defined);

(c) each and all of the covenants, agreements, conditions, representations, warranties and provisions contained in the Note, this Mortgage and the Other Loan Documents; and

(d) all costs and expenses, including without limitation, (1) expenditures to pay or discharge loans, insurance premiums, costs of repair to and maintenance of the Mortgaged Premises, taxes and any other liens, claims, security interests or encumbrances, whether the obligation of the Mortgagee or any other obligor as provided in the Note, this Mortgage or the Other Loan Documents and (2) court costs and reasonable attorneys' fees and expenses paid, suffered or incurred by or for the account of the Mortgagee to protect, preserve, enforce or realize upon (1) this Mortgage and the Lien and security interests hereby created, (2) the Liabilities, and (3) the Mortgaged Premises, all with interest thereon at the Default Rate, which Liabilities shall not exceed, in the aggregate, five (5) times the amount of the Credit.

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1. Maintenance, Repair and Restoration of Improvements, Payment of Liens. The Mortgagor shall: (a) promptly repair, restore or rebuild the buildings, structures and improvements which may become damaged or destroyed or substantially the same character as prior to such damage or destruction, without regard to the availability or adequacy of any proceeds, awards or payments of insurance, eminent domain or otherwise; (b) keep the Mortgaged Premises constantly in good order, condition and repair and make all repairs, substitutions and replacements, as and when the same become necessary, required or appropriate, all of which shall be of equal or better class and type than that originally installed, made or constructed on the Mortgaged Premises; (c) subject to the provisions of paragraph 27 hereof, keep the Mortgaged Premises free from mechanics' liens and all other liens, claims for lien, or security interests of any kind or nature (all such liens and

2. Payment and Performance. The Mortgagor shall duly and punctually pay and perform (1) the credit, and all accrued interest thereon at the time or times and in the manner provided in the Note and (ii) any and all additional and other liabilities, as and when due, pursuant to the Note, this Mortgage and the other Loan documents, and shall otherwise fully and faithfully perform, observe and comply with all the terms, covenants, representations, obligations and conditions contained in the Note, this Mortgage and the other Loan documents.

3. Title. The Mortgagor represents to, and covenants with, the Mortgagee that (1) at the time of the execution and delivery of this Mortgage, the Mortgagor is well seized of the Mortgaged Premises, in fee simple absolute, and has good right and full power to grant, assign, transfer, mortgage and convey the Mortgaged Premises in the manner and form herein provided, (ii) the Mortgaged Premises are free and clear of all liens, charges, interests and encumbrances whatsoever, except for the lien and security interest of the Senior Mortgage and those interests described on Exhibit C attached to and made a part of this Mortgage (collectively, the "Permitted Exceptions"), (iii) this Mortgage is a valid and enforceable second lien on the Mortgaged Premises subject only to the Permitted Exceptions, and (iv) the Mortgagor shall, subject to the Mortgagor's right of possession prior to an "Event of Default" (as such term is herein defined), quietly enjoy and possess the Mortgaged Premises. The Mortgagor shall preserve the title of the Mortgaged Premises in its present condition and the present validity and priority of the lien of this Mortgage, and will defend the title to the Mortgaged Premises, the validity and priority of the lien hereof, and the rights, benefits and privileges accruing to the Mortgagee by reason of this Mortgage forever against all lawful claims and demands whatsoever.

THE MORTGAGOR, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, HEREBY COVENANTS AND AGREES AS FOLLOWS:

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5. Payment of Taxes. Subject to the provisions of Paragraph 30 hereof, the Mortgagor shall pay all general taxes before any penalty or interest accrues or attaches, and shall pay all special taxes, special assessments, water charges, sewer service charges, and all other charges against the Mortgaged Premises of any nature whatsoever when due, and shall furnish to the Mortgagee duplicate receipts therefor within thirty (30) days after the respective due dates of such taxes, assessments and charges.

4. Acts in Respect of Buildings and Title Regarding Mortgagee's Consent. The Mortgagor shall not, without the prior written consent of the Mortgagee, (a) construct or permit or suffer to be constructed any buildings, structures or improvements greater than \$100,000.00 on the Mortgaged Premises, or remove, demolish or alter, materially or structurally, any buildings and improvements now located on the Mortgaged Premises; or (b) initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance, or other public or private restriction, covenant or agreement, limiting or defining the occupancy, development, use or method of use, which may be made of the Mortgaged Premises or any part thereof. The Mortgagor shall not commit or enter any waste of the Mortgaged Premises, or any part thereof.

security interests being herein referred to singularly as a "lien" and collectively, as "liens"; (d) pay in full immediately any indebtedness which may be secured by a lien or charge on the Mortgaged Premises prior to, inferior, coordinate with or superior to the lien hereof (no such prior inferior, coordinate or superior lien to be permitted hereunder) other than the lien of general real estate taxes, which shall be paid as provided in Paragraph 5 hereof and the lien of the Senior Mortgage which shall be paid in accordance with the terms thereof, and upon request exhibit satisfactory evidence of the discharge of such lien to the Mortgagee; (e) comply with all Federal, state and local laws, ordinances, rules, regulations, requirements, orders and judgments and all covenants, easements and restrictions of record with respect to the Mortgaged Premises and the use or manner of use thereof; (f) suffer or permit no change in the general nature of the use or occupancy of the Mortgaged Premises without the Mortgagee's prior written consent; and (g) observe and comply with all conditions and requirements, if any, necessary to preserve and extend all rights, easements, licenses, permits (including without limitation, zoning variations and any non-conforming uses and structures), privileges, franchises and concessions applicable to the Mortgaged Premises or contracted for in connection with any present or future use of the Mortgaged Premises; and (h) complete with due and continuous diligence any of the buildings, structures and improvements now or at any time in process of construction, erection, assembly or placement on the Mortgaged Premises.

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A. The Mortgagor shall keep or cause to be kept such of the mortgaged premises constituting the buildings, structures and improvements, and all "collaterals" (as such term is herein defined) insured against loss or damage by fire on an "all risk" and extended coverage basis and against such other hazards as may be required by Mortgagee for the full replacement cost thereof. The Mortgagor shall also provide such other reasonably available

7. Insurance.

B. The Mortgagee, in making any payment hereby authorized (1) relating to taxes and assessments, may do so according to any bill, statement or estimate procured 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 claim thereof, or (ii) for the purchase, discharge, compromise or settlement of any other lien, may do so without inquiry as to the validity or accuracy of the amount of such lien or any claim therefor which may be asserted or any defense to such lien or claim. The Mortgagor may assert. Any sum expended by Mortgagee hereunder shall be secured by the lien and security interest of this mortgage, shall bear interest from the date paid at the Default Rate and, together with the interest accrued thereon, shall be due and payable on demand.

A. In addition to and not in derogation or limitation of any other rights, powers and remedies available to the Mortgagee under this Mortgage, if the Mortgagee shall default in the payment, performance or observance of any agreement, condition or obligation by the Mortgagee to be paid, performed and observed under this Mortgage, then the Mortgagee shall, without waiving or releasing the Mortgagee from any of its covenants and obligations hereunder, have the right, but not the obligation, to make any payment and perform any act to remedy or cure any such default in any form and by any measure deemed by the Mortgagee expedient, including, without limitation, (i) the full or partial payments of principal and interest on the Senior Mortgage or any other liens, taxes or encumbrances, (ii) the purchase, discharge, compromise, settlement or other disposition of any lien, or any title or interest in the mortgaged premises, or claim thereof, (iii) the redemption from any tax sale or forfeiture affecting the mortgaged premises, (iv) the procurement of any insurance required under or pursuant to this Mortgage and the payment of the premiums therefor, and (v) the contest or protest of any taxes, assessments and may, but shall not be obligated to, take such other action as may be appropriate to cause such default to be remedied or cured by or on behalf of the Mortgagee, to the end that the rights of the Mortgagee in, to and under this Mortgage shall be kept at all times unimpaired and free from default.

6. Mortgagee's Right to Cure.

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D. The Mortgagee shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder, unless the Mortgagee is included thereon as an additional insured thereunder and the policy or policies of such insurance contains New York broad form mortgage and loss payee clauses acceptable to the Mortgagee. The Mortgagee shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the original policy or policies of such insurance (or true and complete copy or copies thereof as so certified by the

C. Any insurance to be carried hereunder may, upon approval of the Mortgagee, be carried in a blanket policy covering the Mortgaged Premises and other properties, and in such case, the Mortgagee shall deliver to the Mortgagee a certificate of insurance, together with a certified copy of the policy.

B. All policies of insurance, including without limitation, additional, renewal and replacement policies, required to be furnished hereunder shall be in forms, with companies and in amounts, with deductibles and with co-insurance provisions reasonably satisfactory to the Mortgagee, with waiver of appreciation, waiver of subrogation and replacement cost endorsement and New York broad form mortgage and loss payee clauses attached or endorsed to all policies, including provisions requiring that the coverages evidenced thereby shall not be terminated or modified without thirty (30) days prior written notice to the Mortgagee. Subject to the provisions of subparagraph 7c, the Mortgagee shall deliver to the Mortgagee the originals of all policies, including without limitation, additional, renewal and replacement policies, required of the Mortgagee under or pursuant to this Mortgage (or true and complete copies thereof as so certified by the issuing insurance company, with a certificate of insurance, but only if acceptable to the Mortgagee, in its absolute discretion), together with evidence of payment of the premiums thereon satisfactory to the Mortgagee, and, in the case of insurance about to expire, renewal or replacement policies not less than thirty (30) days prior to their respective dates of expiration.

Insurance coverages as may be reasonably required by Mortgagee, including without limitation, (i) comprehensive general liability, personal injury and death and for property damage having at least a \$5,000,000 combined single limit coverage, (ii) flood insurance at the Mortgaged Premises as improved with any building and located in a flood hazard area, (iii) business interruption in an amount not less than twelve (12) months of revenues in respect of the Mortgaged Premises, (iv) breach of warranty, to the extent available (v) boiler and machinery, (vi) worker's compensation in statutorily required limits, (vii) dram shop in an amount equal to the statutory limit of liability, and (viii) such other coverages as may be reasonably required by Mortgagee.



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B. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, in the event of any such loss, damage or destruction by fire or other casualty all proceeds of insurance shall be payable to the Mortgagee, and each insurance company with which a claim therefor is filed is hereby authorized and directed to make payment thereof directly to the Mortgagee.

A. In the event of any loss, damage or destruction of or to the mortgaged premises by fire or other casualty, the Mortgagee shall immediately give notice thereof to the Senior Mortgagee, Mortgagee or the Senior Mortgagee under the Senior Mortgage, Mortgagee shall have one hundred twenty (120) days from the date of such loss, damage or destruction to settle, adjust or compromise any claims for any loss, damage or destruction under any policy or policies of insurance; provided, however, that (1) no settlement, adjustment or compromise may be made by the Mortgagee without prior notice to and approval of the Mortgagee, and (2) if such settlement, adjustment or compromise is not effected by the Mortgagee within said 120-day period, the Mortgagee may, at any time thereafter, revoke by notice to the Mortgagee and each such insurance company, such permission so given to the Mortgagee pursuant to this paragraph, and Mortgagee is thereafter authorized and empowered to settle, adjust or compromise any such claims, without the consent or approval of Mortgagee or of any such claims.

8. Disposition of Insurance Proceeds.

F. The Mortgagee shall not, by reason of accepting, rejecting, approving or obtaining insurance as herein provided, incur or be subject to any liability for payment of losses.

E. The delivery to the Mortgagee of the policy or policies of insurance, including, without limitation, additional, renewal or replacement policies required under this Mortgage, shall constitute an assignment to the Mortgagee of such policy or policies, including all unearned premiums thereon, as additional security for the payment and performance of the liabilities. In the event of the foreclosure of this Mortgage, or of a transfer of title to the mortgaged premises either in lieu of foreclosure or by purchase at the foreclosure sale, the Mortgagee is hereby irrevocably appointed by the Mortgagee as attorney-in-fact for the Mortgagee to assign any such policy or policies of insurance, and the Mortgagee shall succeed to all the rights of the Mortgagee, including any right to unearned premiums, in and to all policies of insurance assigned and delivered pursuant to this Paragraph 7 and the Mortgagee shall not have any right to reimbursement for premiums then unearned.

issuing insurance company, with a certificate of insurance, but only if acceptable to the Mortgagee, in its absolute discretion).

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E. In case of loss, damage or destruction by fire or other casualty after foreclosure proceedings have been instituted, the proceeds payable under any policy or policies of insurance shall be applied to the amount due in accordance with any decree or order of foreclosure that may be entered in any such proceedings and the balance, if any, shall be paid as the court may direct, and it prior to the receipt by the Mortgagee of any such proceeds of insurance, the Mortgaged Premises have been sold on foreclosure of

D. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, in case of loss, damage or destruction by fire or other casualty and any one or more of the conditions set forth in subparagraph 8c have not been satisfied, all insurance proceeds shall, at the election of the Mortgagee (in addition to any and all other remedies available to the Mortgagee under this Mortgage) in its absolute discretion, be retained and applied by the Mortgagee, as a prepayment, without premium, to the Liabilities, whether or not the same be due, and in such order of priority as the Mortgagee may, in its absolute discretion, elect.

C. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, in the event of any loss, damage or destruction by fire or other casualty, the proceeds of insurance shall be held in an escrow trust established for the benefit of Mortgagee and Mortgagee with an escrow trustee reasonably acceptable to Mortgagee and Mortgagee and applied to the cost of repair, restoration, replacement or rebuilding of the Mortgaged Premises; provided (1) the insurance company or companies do not deny liability under any policy or policies of insurance required to be maintained by the Mortgagee, (ii) there shall not exist an Event of Default under this Mortgage, the Note or any of the other Loan Documents or an event shall have occurred which, but for the giving of notice or passage of time, or both, would constitute an Event of Default under this Mortgage, (iii) the proceeds of insurance are sufficient, in the Mortgagee's reasonable judgment, to repair, restore, replace or rebuild the Mortgaged Premises to a condition whereby the value thereof as repaired, restored, replaced or rebuilt would be equal to or greater than the value of the Mortgaged Premises immediately preceding the loss, damage or destruction, or, if the proceeds of insurance are not sufficient to so repair, restore, replace or rebuild, the Mortgagee shall have deposited with the Mortgagee the amount of said deficiency, which funds shall be applied first to the cost of said repair, restoration, replacement or rebuilding and (iv) the repair, replacement, restoration or rebuilding shall be completed promptly in accordance with plans and specifications approved by the Mortgagee. The escrow trustee shall be directed to invest the proceeds in an interest bearing account reasonably acceptable to Mortgagee and Mortgagee, such interest to be added to the proceeds to be applied consistent with the terms of this Section 8 as it relates to disposition of the proceeds.

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B. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, in the event of any such taking or condemnation, the proceeds thereof shall be held in an escrow trust established for the benefit of Mortgagee and Mortgagee and applied to the cost of repair, restoration, replacement or rebuilding of the Mortgaged Premises; provided (i) there shall not exist an event of default under this Mortgage, the Note or any of the other Loan Documents or an Incident Event (ii) the proceeds of such taking or condemnation are sufficient, in the Mortgagee's reasonable judgment, to repair, restore, replace or rebuild the Mortgaged Premises to a condition whereby the value thereof as repaired, restored, replaced or rebuilt would be equal to or greater than the value of the Mortgaged Premises immediately preceding the taking, or, if the proceeds of such taking or condemnation are not sufficient to so repair, restore, replace or rebuild, the Mortgagee shall have deposited with the Mortgagee the amount of said deficiency, which funds shall be applied first to the cost of said repair, restoration, replacement or rebuilding (iii) the repair, replacement, restoration, replacement or rebuilding shall be completed promptly in accordance with plans and specifications

A. In the event of any taking or condemnation of the Mortgaged Premises, or any part thereof, pursuant to or by reason of eminent domain proceedings, or by purchase under threat or in lieu thereof, or any alteration of the grade of any street or public way or any other injury to or decrease in the value of the Mortgaged Premises, by any public or quasi-public authority or corporation, the Mortgagee shall give the Mortgagee immediate notice of any actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Mortgaged Premises and shall deliver copies of any and all papers served in connection therewith; provided, however, the Mortgagee shall not in any way be relieved from the terms, covenants, conditions and obligations contained in this Mortgage or the other Loan Documents, including, without limitation, full and final payment, performance and discharge of all of the liabilities and any reduction in the liabilities resulting from the application by the Mortgagee of any such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt.

9. Condemnation.

the lien and security interests of this Mortgage, then the Mortgagee shall have the right to receive such proceeds to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought, recovered or denied, and of the costs and disbursements, including without limitation, reasonable attorneys' fees, costs and expenses, incurred or sustained by the Mortgagee in connection with the collection of such proceeds or payment.

F. Pursuant to the assignment of such award or payment herein made by the Mortgagee, the Mortgagee is empowered to collect and receive the same and to give proper receipt or acquittance therefor in the name of the Mortgagee, and the same shall be paid

E. The Mortgagee shall not enter into any contract, agreement or other document for the taking or purchase of the Mortgaged Premises, or any part thereof, with any party authorized to acquire the same in or by condemnation proceedings or by exercise of eminent domain or by purchase under threat or in lieu thereof, unless and until the Mortgagee shall have first consented thereto in writing, and any such purported contract, agreement or other document made without the prior consent of the Mortgagee shall be null and void.

D. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, in case of the occurrence of any of the events set forth in Paragraph A hereof after foreclosure proceedings have been instituted, the award or payment shall be applied to the amount due in accordance with any decree or order of foreclosure that may be entered in any such proceeding, and the balance thereof, if any, shall be paid as the court may direct, and it prior to the receipt by the Mortgagee of any such award or payment, the Mortgaged Premises have been sold on foreclosure of this Mortgage, then the Mortgagee shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought, recovered or denied, and of the costs and disbursements, including without limitation, reasonable attorneys' fees, costs and expenses incurred or sustained by the Mortgagee in connection with the collection of such award or payment.

C. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, in case of such taking or condemnation and any one or more of the conditions set forth in subparagraph B have not been satisfied, all proceeds shall, at the election of the Mortgagee (in addition to any and all other remedies available to the Mortgagee under this Mortgage) in its absolute discretion, be retained and applied by the Mortgagee, as a prepayment, without premium, to the liabilities, whether or not the same be due, and in such order of priority as the Mortgagee may, in its absolute discretion, elect. The Mortgagee shall make, execute and deliver to the Mortgagee all further assignments and instruments deemed necessary by the Mortgagee to assign the proceeds of any taking or condemnation to the Mortgagee.

B. approved by the Mortgagee and (iv) such taking or condemnation does not have a materially adverse effect on the use of the Mortgaged Premises, in the Mortgagee's reasonable judgment. The escrow trustee shall be directed to invest the proceeds in an interest bearing account reasonably acceptable to Mortgagee and Mortgagee.

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11. The Mortgagee's Right of Inspection. The Mortgagee and all persons authorized to act on behalf of the Mortgagee shall have the right to enter and inspect the Mortgaged Premises at all reasonable times and access thereto shall be permitted for that purpose; provided, however, nothing herein contained shall be

10. Indemnity. The Mortgagor hereby indemnifies, protects, saves and holds forever harmless the Mortgagee, its directors, officers, employees, agents and independent contractors, (for the purposes of this Paragraph 10 only, collectively, "Indemnified Parties") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including without limitation, court costs, expert witness fees and attorneys' fees and expenses, imposed upon, incurred by or asserted against Indemnified Parties, or any of them, as a result of, in connection with or arising from (i) the lien and security interest hereby created on the Mortgaged Premises, (ii) the Mortgagor's ownership of the Mortgaged Premises or any interest therein or receipt by the Mortgagor of any rent or other sum therefrom, (iii) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Mortgaged Premises or any part thereof or on the adjoining sidewalks, curbs, vaults and vault space, (iv) any use, nonuse or condition of the Mortgaged Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, (v) any, adjacent parking areas, streets or ways, provided that the same are not caused by willful or negligent acts or omissions on the part of the Mortgagee, its employees, agents and independent contractors, (vi) any use, nonuse or condition of the Mortgaged Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, (vii) any failure on the part of the Mortgagee or its employees, agents and independent contractors, (viii) the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Premises or any part thereof. Any amounts payable to Indemnified Parties, or any of them, under this Paragraph 10 which are not paid within ten (10) business days after written demand therefor by the Mortgagee shall be so much additional liabilities and shall bear interest from the date of such demand to the date of receipt by Indemnified Parties at the Default Rate, and the Mortgagee shall, in addition to any other right, power or remedy available to the Mortgagee, have the same rights, powers and remedies in the event of non-payment of any such sum by the Mortgagor as in the case of a default by the Mortgagor in the payment or performance of the liabilities. The obligations of the Mortgagor under this Paragraph 10 shall survive any termination, release or satisfaction of this Mortgage for a five (5) year period.

forthwith to the Mortgagee for the uses and purposes set forth herein.

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(1) as soon as possible and in any event within five (5) days after the Mortgagee has knowledge of the occurrence or existence of an Event of Default or an Incident Event, a statement of the Mortgagee setting forth details of such Event of Default or other event and the action which the Mortgagee proposes to take with respect thereto;

A. So long as any of the Liabilities remain unpaid and/or unperformed, the Mortgagee shall furnish, or cause to be furnished, to the Mortgagee:

13. Furnishing of Statements to the Mortgagee.

C. The Mortgagee shall pay to the Mortgagee such title insurance premiums, attorneys' fees and other costs and expenses as may be reasonably incurred by the Mortgagee for any action described in this Paragraph 12 taken at the request of the Mortgagee.

B. Any actions taken by the Mortgagee pursuant to the terms of this Paragraph 12 shall not impair or affect: (1) the obligation of the Mortgagee or the Mortgagee's successors or assigns to pay, perform and discharge the Liabilities; (2) the guaranty of any individual or legal entity for payment of the Liabilities or any part thereof; or (3) the lien and security interest of this Mortgagee or the priority thereof against the Mortgaged Premises.

A. From time to time the Mortgagee may, at the Mortgagee's option, without giving notice to or obtaining the consent of the Mortgagee or the Mortgagee's successors or assigns or the consent of any junior lien holder, guarantor, licensee, tenant or contract purchaser, without liability on the Mortgagee's part and notwithstanding the occurrence or existence of any Event of Default: (i) release anyone primarily or secondarily liable for any of the Liabilities; (ii) accept a renewal note or notes; (iii) release from the lien and security interests of this Mortgage any part of the Mortgaged Premises; (iv) take or release other or additional security for the Liabilities; (v) consent to the granting of any easement; (vi) join in any extension or subordination agreement; (vii) agree in writing with the Mortgagee to modify the rate of interest or period of amortization of the Note or change the time or the amount of payment(s) thereunder; and (viii) waive or fail to exercise any right, power or remedy granted by law or herein or in the Note, or any of the other Loan Documents.

12. Mortgagee and Lien Not Released.

construed as an obligation on the part of the Mortgagee to make any such entries and inspections.

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B. In the event of the enactment, after this date, of any law of the State of Illinois, or any other state having jurisdiction hereover, deducting from the value of the Real Estate for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagee, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Mortgaged Premises, or the manner of collection of

A. If, by the laws of the United States of America or of any state or subdivision thereof having jurisdiction over the Mortgagee or the Mortgaged Premises, any tax is due or becomes due in respect of the issuance of the Note or the making of this Mortgage, the Mortgagee covenants and agrees to pay such tax in the manner required by any such law. The Mortgagee further covenants to reimburse the Mortgagee for any sums which the Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note or this Mortgage.

16. Stamp Tax, Effect of Changes in Laws Regarding Taxation.

15. Business Loan Levy Exemption. The Mortgagee represents to and covenants with the Mortgagee that the loan evidenced by the Note and secured by this Mortgage constitutes a "business loan" which comes within the purview and operation of paragraph 6404 of Chapter 17 of the Illinois Revised Statutes.

14. Filing and Recording Charges and Taxes. The Mortgagee will pay all filing, registration, recording, search and information fees, and all expenses incidental to the execution and acknowledgment of this Mortgage the Note and the other loan documents and all Federal, state, county and municipal taxes, other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the Note, this Mortgage and the other loan documents and assignments thereof.

B. Mortgagee shall, at Mortgagee's sole cost and expense, have the right to conduct or cause to be conducted an audit of the books and records of Mortgagee from time to time upon reasonable notice from Mortgagee.

(iii) such other statements and information required under the Note and the other loan documents.

(ii) promptly after the receipt thereof by the Mortgagee notice of all actions, suits and proceedings before any court or government department, commission, board, bureau, agency or instrumentality affecting the Mortgaged Premises or the Mortgagee;

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17. Events of Default. The Mortgagor hereby covenants and agrees that the occurrence or existence of any one of the following events or conditions shall constitute an event of default under this Mortgage (herein referred to singularly as "Event of Default" and collectively as "Events of Default"):

as to affect this Mortgage or the liabilities or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee, it might be unlawful to require the Mortgagor to make such payment, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the liabilities to be and become due and payable sixty (60) days from the giving of such notice.

(a) The Mortgagor shall, regardless of cause or reason, fail to make any payment on account of the credit, and interest thereon, as and when due, in accordance with the terms of the Note;

(b) The Mortgagor shall, regardless of cause or reason, fail to make payment, as and when due, of any other liabilities.

(c) Any representation or warranty made by the Mortgagor or any other obligor, or their respective agents, in the Note, this Mortgage or any of the other Loan Documents, or in any other agreement, instrument, certificate or statement contemplated hereby or thereby, or made or delivered pursuant hereto or thereto or in connection herewith or therewith, shall be breached or violated, or prove to be false, misleading or inaccurate, as of the date when made, in any material respect;

(d) Any attachment, seizure or levy shall be made upon the Mortgaged Premises, in whole or in part;

(e) Except for the lien of the Senior Mortgage and as otherwise provided herein, any lien or charge against the Mortgaged Premises, or any part thereof, whether prior to, inferior to, coordinate with or subordinate to the lien and security interest hereby created in favor of the Mortgagee, shall accrue and the Mortgagor shall, regardless of cause or reason, fail to discharge the same within thirty (30) days after the date of such accrual;

(f) The Mortgagor, or the corporation, shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, pursuant to a final, unappealable order or shall file any petition or answer proposing the entry of an order for relief under Title



(k) Mortgagee shall, regardless of cause or reason, fail to perform and observe faithfully and punctually any other covenant, agreement, condition or provision contained in this Mortgage and such failure shall continue uncorrected for a period of sixty (60) days after written notice thereof from Mortgagee; provided,

(j) Except as provided in this Mortgage or the other Loan Documents, any sale, conveyance, assignment, transfer, lease, encumbrance or disposition is made in contravention of the provisions of Paragraph 28 hereof;

(i) The indebtedness secured by the Senior Mortgage shall at any time exceed \$1,300,000.00;

(h) The Mortgagee shall commit or suffer an event of default under the Senior Mortgage or any other instrument or document in respect of the indebtedness secured thereby;

(g) Within sixty (60) days after the commencement of any proceeding against Mortgagee, or the corporation, seeking the entry of an order for relief under Title 11 of the United States Code, as the same may be from time to time amended, or any reorganization, arrangement, composition, adjustment of debt, liquidation, dissolution or similar relief under the present or any future Federal, state or other bankruptcy act or any present or future applicable Federal, state or other statute or law, such proceeding shall not have been dismissed, or within sixty (60) days after the appointment of any trustee, receiver, liquidator or custodian of any of obligors and related parties (without its consent or acquiescence) or of all or any substantial part of his or its properties or any of the Mortgaged Premises, such appointment shall not have been vacated or stayed on appeal or otherwise, or within sixty (60) days after the expiration of any such stay, such appointment shall not have been vacated;

11 of the United States Code, as the same may from time to time be amended, or seeking any reorganization, arrangement, adjustment of debt, liquidation, dissolution or similar relief under the present or any future Federal, state or other bankruptcy act or any other present or future applicable Federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, liquidator or custodian of his or itself or of all or any substantial part of his or its properties or of any of the Mortgaged Premises, or shall admit publicly in writing, or otherwise, his or its inability to pay its debts generally as they become due;

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(c) foreclose, at law or in equity, the lien of this Mortgage as against all or any part of the Mortgaged

(b) declare and make immediately due and payable the entire balance of the credit then unpaid hereunder, all accrued and unpaid interest thereon, any prepayment fee which would be due under the Note in the event of a voluntary prepayment, and all other liabilities;

(a) collect interest on the balance of the credit then unpaid under the Note at the Default Rate, from the date of any such Event of Default except as provided in Paragraph 26 of the Note, until all Events of Default hereunder have been remedied or cured, which interest shall be due and payable upon the demand of the Mortgagee, and if no demand is made, then on the first (1st) day of each and every calendar month thereafter;

18. Remedies. Upon the occurrence or existence of any Event of Default then, at the option of the Mortgagee and without further demand or notice of any kind whatsoever to the Mortgagor (demand and notice as to any Event of Default being hereby expressly waived by the Mortgagor, for itself and for and on behalf of all other obligors and related parties, except for such notices as may be provided in Paragraph 17 hereof), the Mortgagee shall, to the fullest extent permitted by law, subject to rights of the Senior Mortgagee under the Senior Mortgage, be entitled to:

(1) An "Event of Default" (as such term is therein defined or used) shall occur or exist under, pursuant to or in connection with the Note or any of the other Loan Documents and not be cured or corrected within any applicable grace or curative period permitted thereunder, if any.

however, that if the nature of such failure is such that more than sixty (60) days are required for its correction and if Mortgagor shall, prior to the expiration of said 60-day period, commence to correct such failure and thereafter diligently continues to correct such failure and completes, within one hundred eighty (180) days after written notice thereof from Mortgagee, the correction of such failure, then Mortgagee shall forebear from the exercise of its rights, powers and remedies under this Mortgage; except that the correction of such failure by Mortgagor and the forbearance of Mortgagee shall not be construed to limit, restrict, delay or impair the exercise by Mortgagee of its rights, powers, and remedies under this Mortgage and the other Loan Documents upon the occurrence or existence of any Event of Default not subject to the provisions of this subparagraph; or

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When the liabilities, or any part thereof, shall become due, whether by acceleration or otherwise, the mortgagee shall have the right to foreclose the lien hereof for the liabilities, or such part thereof, so due. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional liabilities in the order or judgment for foreclosure and sale all expenditures and expenses which may be paid or incurred by or on behalf of the mortgagee for attorneys' fees,

19. Foreclosure; Expense of Litigation.

(g) exercise any and all other rights, powers and remedies provided in this Mortgage, the Note and the other Loan Documents, and such other rights, powers and remedies as may be provided at law or in equity.

(f) appropriate and apply to the liabilities (whether or not due and in any order of priority as the Mortgagee may, in its sole discretion, elect), any and all accounts, reserves and monies held in the possession of the Mortgagee for the benefit or account of the obligors and related parties, or any of them; and

(e) enter upon and take possession of the mortgaged premises, or any part thereof, by summary proceedings, or other lawful process, and expel and remove the mortgagor and all other persons and any and all property therefrom, and hold, operate and manage the mortgaged premises, complete any and all construction, repair, restoration and rebuilding then in process, borrow monies for such purposes, and collect and receive all earnings, income, rents, issues and proceeds accruing with respect thereto and lease the mortgaged premises, or any part thereof, and after deducting all reasonable attorneys' fees and expenses, all repayments of borrowed monies and all costs and expenses incurred in the protection, care, maintenance, management and operation of the mortgaged premises, apply the remaining net income on the liabilities (whether or not due and in any order of priority, as the mortgagee may elect), or on any deficiency decree or order entered in any foreclosure proceeding, all without liability to the mortgagee;

(d) exercise all the rights, powers and remedies available under the Uniform Commercial Code of the State of Illinois then in effect as to all "collateral" (as such term is herein defined), including without limitation, fixtures or goods which are to become fixtures;

Premises, and to have the same sold under order or decree of a court of competent jurisdiction;

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20. Application of Proceeds of Foreclosure Sale. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, the proceeds of any foreclosure sale of the Mortgaged Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in Paragraph 19 hereof; second, all other items which may under the terms hereof constitute Liabilities additional to that evidenced by the Note, with interest thereon as herein provided; third, to any prepayment fee due under the Note; fourth, all accrued and unpaid interest thereon under the Note; fifth, all the credit then unpaid; and sixth, any excess to any party or parties entitled thereto as their rights may appear.

B. At all times, the Mortgagee shall have the right, but not the obligation to appear in and defend any suit, action or proceeding that might in any way, in the sole judgment of the Mortgagee, affect the value of the Mortgaged Premises, the priority of this Mortgage or the rights, powers and interests of the Mortgagee hereunder or under the Note or any of the other Loan Documents. In addition to and not in derogation, limitation or modification of any and all other rights, powers and remedies of the Mortgagee hereunder, the Mortgagee shall, at all times, indemnify, hold harmless and reimburse the Mortgagee on demand for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditure shall be secured by this Mortgage, and shall bear interest after demand at the Default Rate, and such interest shall be secured hereby and shall be due and payable on demand.

At all times, the Mortgagee shall have the right, but not the obligation to appear in and defend any suit, action or proceeding that might in any way, in the sole judgment of the Mortgagee, affect the value of the Mortgaged Premises, the priority of this Mortgage or the rights, powers and interests of the Mortgagee hereunder or under the Note or any of the other Loan Documents. In addition to and not in derogation, limitation or modification of any and all other rights, powers and remedies of the Mortgagee hereunder, the Mortgagee shall, at all times, indemnify, hold harmless and reimburse the Mortgagee on demand for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditure shall be secured by this Mortgage, and shall bear interest after demand at the Default Rate, and such interest shall be secured hereby and shall be due and payable on demand.

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22. Rights Cumulative. Each right, power and remedy conferred upon the Mortgagee by this Mortgage, the Note and the other Loan Documents is in addition to every other right, power and remedy, express or implied, given now or hereafter existing, at law and in equity; and upon the occurrence or existence of any Event of Default, each and every such right, power and remedy herein or therein set forth or otherwise so existing may be exercised singly, successively or cumulatively, at any time, and from time to time as often and in such order as may be deemed expedient by the Mortgagee; and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of, or discontinuance by, the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Event of Default or acquiescence therein.

21. Appointment of Receiver or Mortgagee-in-Possession. Subject to the rights of the Senior Mortgagee under the Senior Mortgage, upon or at any time after the commencement of an action to foreclose this Mortgage, the court in which such action was commenced may, upon request of the Mortgagee, appoint a receiver of the Mortgaged Premises either before or after foreclosure sale, without notice or the requirement of bond (notice and bond being hereby waived) and without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee or any holder of the Note may be appointed as such receiver or as mortgagee-in-possession. Such receiver or the mortgagee-in-possession shall have power to collect the rents, issues and profits of the Mortgaged Premises during the pendency of such foreclosure action and, in case of a sale and a deficiency, during the full statutory period of redemption (if any), whether there be redemption or not, as well as during any further times (if any) when the Mortgagor, except for the intervention of such receiver or mortgagee-in-possession, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such case, for the protection, possession, control, management and operation of the Mortgaged Premises (including the completion of any construction, repair or restoration) during the whole of said period. The court from time to time may authorize the receiver or mortgagee-in-possession to apply the net income in its hands in payment in whole or in part of: (a) the liabilities or by any order or judgment foreclosing the lien of this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien and security interest hereof or the lien of such order or judgment, provided such application is made prior to foreclosure sale; and (b) the deficiency, in case of a sale and deficiency.

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A. The Mortgagor and the Mortgagee agree: (1) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State of Illinois with respect to any property included in the definition herein of the word "Mortgaged Premises," which property may not be deemed to form a part of the Real Estate or may not constitute a "fixture", (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "collateral"); (ii) that Mortgagor hereby grants to Mortgagee a security interest in and to the collateral; and (iii) that all of the Mortgagor's right, title and interest in the collateral are hereby assigned to the Mortgagee; all to secure the payment, performance and discharge of the liabilities.

26. Security Agreement and Financing Statement.

25. Waiver of Statutory Rights. The Mortgagor shall not apply for or avail itself of any appraisal, valuation, 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 the lien and security interest of this Mortgage, but hereby waives the benefit of such laws. The 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 Mortgaged Premises marshalled upon any foreclosure of the lien and security interest hereof and agrees that any court having jurisdiction to foreclose such lien and security interest may order the Mortgaged Premises sold as an entirety. THE MORTGAGOR DOES HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS OF REDEMPTION FROM SAME UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE OF THE LIEN OF THIS MORTGAGE ON BEHALF OF THE MORTGAGOR AND EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF THE MORTGAGOR, IN ITS REPRESENTATIVE CAPACITY ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PREMISES SUBSEQUENT TO THE DATE OF THIS MORTGAGE. THE MORTGAGOR REPRESENTS AND WARRANTS THAT THE MORTGAGOR HAS BEEN AND IS AUTHORIZED AND EMPOWERED TO MAKE THE FOREGOING WAIVER.

24. Waiver of Defense. No action for the enforcement of the lien and security interests created by this Mortgage or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

23. Release Upon Payment and Discharge of the Mortgagor's Obligations. The Mortgagee shall release this Mortgage and the lien and security interest hereof by proper instrument upon full and final payment, performance and discharge of all of the liabilities.

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B. Upon the occurrence of an Event of Default, the Mortgagee, pursuant to the appropriate provisions of the code, shall have an option to proceed with respect to both the interests in the Real Estate and collateral in accordance with its rights, powers and remedies with respect to the interests in the Real Estate, in which event the default provisions of the code shall not apply. The parties agree that if the Mortgagee shall elect to proceed with respect to the collateral separately from the interests in the Real Estate, five (5) days notice of the sale of the collateral shall be reasonable notice. The expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, attorneys' fees and expenses incurred by the Mortgagee. The Mortgagee agrees that, without the written consent of the Mortgagee, the Mortgagee will not remove or permit to be removed from the Mortgaged Premises any of the collateral except that so long as the Mortgagee is not in default hereunder, the Mortgagee shall be permitted to sell or otherwise dispose of the collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Mortgaged Premises, but only upon replacing the same or substituting for the same other collateral at least equal in value, utility and quality to the initial value, utility and quality of that disposed of and in such a manner that said replacement or substituted collateral shall be subject to the security interest created hereby and that the security interest of the Mortgagee shall be perfected and second in priority subject only to the interest of the Senior Mortgagee under the Senior Mortgage until the liabilities are fully paid and performed, it being expressly understood and agreed that all replacements, substitutions and additions to the collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Mortgagee shall, from time to time, on request of the Mortgagee, deliver to the Mortgagee, at the cost of the Mortgagee, (1) such further financing statements and security documents and assurances as the Mortgagee may require, to the end that the liens and security interests created hereby shall be and remain perfected and protected in accordance with the requirements of any present or future law, and (2) an inventory of the collateral in reasonable detail. The Mortgagee covenants and represents with and to the Mortgagee that, except for the Permitted Exceptions and the security interests in favor of the Mortgagee, all of the collateral now is, and all replacements thereof, substitutions therefor and additions thereto, and, unless the Mortgagee otherwise consents, shall be free and clear of all liens, encumbrances, title retention devices and security interests of others until the liabilities are fully paid and performed.

C. If the collateral is sold in connection with a sale of the Mortgaged Premises, the Mortgagee shall notify the Mortgagee prior to such sale and shall require as a condition of such sale that the purchaser specifically agrees to assume the Mortgagee's obligations as to the security interests herein granted and to

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execute whatever agreements and filings are deemed necessary by the Mortgagee to maintain the Mortgagee's perfected security interest in the collateral.

27. Right to Contest. Anything in this Mortgage to the contrary notwithstanding, the Mortgagee may, provided that there is no existing Event of Default, (A) in good faith and with reasonable diligence, contest the validity or amount of any Taxes and defer payment and discharge thereof during the pendency of such contest, or (B) insure against any lien, provided that: (1) such contest shall have the effect of preventing the sale or foreclosure of the Mortgaged Premises, or any part thereof or interest therein, to satisfy such lien or such Taxes; (2) within thirty (30) days after the Mortgagee has been notified of the assertion of such lien or levy of such Taxes, the Mortgagee shall have notified the Mortgagee in writing of the Mortgagee's intent to contest such lien or such Taxes; and (3) the Mortgagee shall have deposited at the reasonable election of the Mortgagee (a) with Chicago Title Insurance Company (the "title insurer") who shall issue an endorsement to the title insurance policy insuring the lien of this Mortgage insuring against such lien or Taxes or (b) with the Mortgagee, a sum of money, bond, agreement of indemnity or other security which is sufficient, in the reasonable judgment of the title insurer or the Mortgagee, as the case may be, to pay in full such lien or such Taxes, and all interest and penalties that might become due thereon, and thereafter, shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest and penalties whenever, in the reasonable judgment of the title insurer or the Mortgagee, as the case may be, such increase is advisable. If the Mortgagee shall fail to prosecute such contest of any Taxes with reasonable diligence, or to adequately insure against any lien, in the reasonable judgment of the Mortgagee, or shall fail to pay the amount of the lien or the Taxes, plus any interest or penalty thereon finally determined to be due, within ten days of the conclusion of the contest, or shall fail to maintain sufficient funds on deposit as hereinabove provided, then in addition to and not in derogation of any other rights, powers or remedies available to the Mortgagee, the Mortgagee may, at its option, but shall not be obligated to, apply the money so deposited to the payment of or on account of such lien or such Taxes, or that part thereof then unpaid, together with all interest and penalties thereon. If the amount of money so deposited shall be insufficient for the payment in full of such lien or such Taxes, together with all interest and penalties thereon, then the Mortgagee shall forthwith, upon, and within three (3) days of, demand, deposit with the Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full. The Mortgagee shall, if requested by the Mortgagee, upon the final disposition of such contest, apply the money so deposited with the Mortgagee in full payment of such lien or such Taxes, or that part thereof then unpaid, together with all interest and penalties thereon (provided that an Event of Default



(1) The credit and all other liabilities are, in addition to this Mortgage, secured by certain security documents and instruments described on Exhibit D attached to and made a part of this Mortgage, which security documents and instruments, together with all extensions and renewals of the Note and all other documents and instruments heretofore, now or hereafter given to

A. It is acknowledged and agreed that:

29. Other Loan Documents and Incorporation of Documents.

B. Any consent by the Mortgagee, or any waiver of an Event of Default, under this Paragraph shall not constitute a consent to or waiver of any right, remedy or power of the Mortgagee upon a subsequent Event of Default under this Paragraph.

(iii) any sale, conveyance, assignment, transfer, pledge, hypothecation or other disposition of, or the grant of a security interest in, any interest in the beneficial interest of the Trust held by Doetsch Bros. Co., an Illinois corporation (the "Corporation") as sole beneficiary under the Trust Agreement.

(ii) any mortgage lien or other lien other than that of the Senior Mortgage, inferior, coordinate or superior to the lien and security interest created hereby or by the other Loan Documents, whether voluntary or involuntary, permitted or filed against the Mortgaged Premises, except for the lien of general real estate taxes not yet due and payable; (iii)

(i) any sale, conveyance, assignment, transfer, lease, further encumbrance or other disposition of, or the grant of a security interest in, all or any part of the Mortgaged Premises;

A. Except as otherwise provided in this paragraph 28 or in the Other Loan Documents, the Mortgagor agrees that the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer and therefore an Event of Default hereunder:

28. Due on Sale or Further Encumbrance Clause.

then has not occurred or is existing) when so requested in writing by the Mortgagor and when furnished by the Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to the Mortgagee of the amount of the payment to be made in order to fully satisfy such lien or such Taxes, and any surplus of monies remaining after such application shall be re-mitted to or at the direction of the Mortgagor.

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Subject to the rights of the Senior Mortgage under the Senior Mortgage, in addition to the payments required by this Mortgage, the Note and all the other Loan Documents and as further security for the payment, performance and observance by the Mortgagee of the Liabilities, upon the written request of Mortgagee at any time, the Mortgagee shall make monthly deposits with the Mortgagee, or its designee, in an amount estimated and computed by the Mortgagee, or its designee, as hereinafter provided, to be equal to one-twelfth (1/12) of the annual general real estate taxes and assessments (which taxes, assessments are herein referred to

30. Deposits.

The Mortgagee hereby agrees that the Mortgaged Premises, regardless of which persons or entities constituting the Mortgagee is the owner thereof, constitutes equal security with all of the security and collateral set forth in this Mortgage, the Note and all the other Loan Documents, for the payment and performance of the Liabilities, and none of the Mortgaged Premises or said security and collateral shall be deemed to have preference or priority over the other, and upon the occurrence or existence of an Event of Default, the Mortgagee may realize upon, and enforce its rights, powers and remedies against, the Mortgaged Premises or said security and collateral, in whole or in part or parts, at such time or times and in such order as the Mortgagee may, in its sole discretion, elect.

B. The Mortgagee covenants and agrees with Mortgagee that all the terms, covenants, conditions, representations, warranties, obligations and provisions of the Note and all the other Loan Documents, incorporated into this Mortgage to the same full extent and with the same binding force and effect as if all such terms, covenants, conditions, representations, warranties, obligations and provisions were herein stated in full, and that the Mortgagee will perform, keep and observe, or cause to be performed, kept and observed, all the terms, covenants, conditions, representations, warranties, obligations and provisions of the Note and all the other Loan Documents, it being the express intent that each of this Mortgage, the Note and all the other Loan Documents complement and supplement the others to the extent necessary or required to protect, preserve and confirm the rights, powers and remedies of the Mortgagee in respect of the Liabilities.

(11) The credit evidenced by the Note is advanced to or for the benefit of the Mortgagee.

evidence, secure or guarantee the payment of, given to perfect or continue the lien or security interest thereby created to secure, the Liabilities, are herein collectively referred to as the "Other Loan Documents"; and

8932-1810

F. The existence of such deposits shall not at any time impose upon the Mortgagee or subject the Mortgagee to any obligation or responsibility for (1) the protesting or contesting,

E. Subject to the provisions of Paragraph 6 hereof, nothing in this Paragraph 30 shall be construed as in anywise limiting the right of the Mortgagee, at its option, to pay any of the impositions when due. The provisions of Paragraph 5 hereof, and the obligation of the Mortgagee thereunder, relating to impositions shall not be affected, except to the extent that the obligations thereunder have been actually met by compliance with this Paragraph 30.

D. If, in accordance with the terms of the Note, the Mortgagee shall first make full and final payment of the liabilities, then the Mortgagee will deliver to the Mortgagee the deposits then accumulated under the provisions of this Paragraph 30.

C. Upon the occurrence or existence of an Event of Default, the Mortgagee may, at its option, without being required to do so, apply all, or any part, of the deposits made pursuant to this Paragraph 30 to pay or discharge the liabilities in such manner and in such order of priority as the Mortgagee may, in its sole discretion, elect.

B. Said deposits shall be estimated and computed by the Mortgagee, or its designee, on the basis that the Mortgagee shall have on deposit, at least thirty (30) days prior to the last day on which each of such impositions may be paid before any time, penalty, interest or cost is added thereto for the nonpayment thereof, an amount sufficient to pay the impositions and if the amount on deposit shall be insufficient to pay such impositions, when due, then the Mortgagee shall, upon demand of the Mortgagee, forthwith pay or cause to be paid to the Mortgagee the amount necessary to correct the deficiency.

A. As the "impositions" which deposits (1) shall, thereafter, be due and payable until the liabilities have been fully and finally paid and performed, (2) shall be held in interest bearing account under the control of the Mortgagee, such interest accruing for the benefit of the Mortgagee and to be applied consistent with the monthly deposits to be made by Mortgagee to Mortgagee pursuant to this Section 30, and (3) shall be held and applied, but only from and to the extent thereof, by the Mortgagee or its designee, as an accommodation to the Mortgagee, only so long as (1) an Event of Default or Incipient Event shall not then have occurred or be existing, and (ii) the Mortgagee shall present to the Mortgagee, or its designee, the bills or invoices therefor, at least twenty (20) days prior to the due date of such impositions, to permit the payment of such impositions before any time, penalty, interest or cost is added thereto for nonpayment thereof.

# UNOFFICIAL COPY

or to such other address in the United States of America as may from time to time be designated by the party to be addressed by notice to the other in the manner hereinafore provided. Any such notice, demand or other communication mailed as provided in this

Doetsch Bros. Co.  
35 East Palatine Road  
Prospect Heights, Illinois  
Attn: Thomas L. Doetsch  
Vice President

With a copy to:

Glenshaw State Bank  
Trust No. 802  
800 Waukegan Road  
Glenshaw, Illinois 60025  
Attn: Land Trust Department

If to Mortgagor:

Burke, Wilson & McIlvaine  
500 West Madison Street, Suite 3700  
Chicago, Illinois 60606  
Attn: Christopher R. Manning, Esq.

With a copy to  
Mortgagee's Special  
Counsel:

Textron Capital Corporation  
18201 Von Karman Avenue  
Irvine, California 92715  
Attn: Western Zone  
Operations Manager

If to Mortgagee:

All notices, demands and other communications required or desired to be given hereunder shall be in writing signed by mortgagee or mortgagor, or their respective authorized agents or attorneys, as the case may be, and shall be deemed to have been properly given if (i) served in person, (ii) it mailed by United States registered or certified mail, full postage prepaid, return receipt requested, (iii) if sent by Western Union Telegram or (iv) if sent by special courier (Federal Express or like service), addressed as follows:

31. Miscellaneous. It is further understood and agreed by the Mortgagor that:

In any manner, the Impositions, (ii) the payment of any bill(s) or Invoice(s) for Impositions, except upon presentation of bill(s) and Invoice(s), and then only from and to the extent of the amounts deposited pursuant to this Paragraph 30, or (iii) the payment of any Impositions, or any part thereof, after the occurrence or existence of an Incident Event or an Event of Default and so long as all Incident Events or Events of Default shall remain unremitted or uncured; any and all such obligations and responsibilities being hereby expressly waived by the Mortgagor for themselves and for and on behalf of any and all person(s) hereafter claiming or to claim by, through or under the Mortgagor.

0181-22268

0181324810

D. Severability and Applicable Law. In the event that one or more of the provisions contained in this Mortgage, the Note or any of the other Loan Documents shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of the document containing such invalid, illegal or unenforceable provision(s) or any of the other documents evidencing, securing or relating to the liabilities and the document containing such invalid, illegal or unenforceable provision(s), shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein or therein. The validity and interpretation of this Mortgage, the Note and the other Loan Documents are intended to be,

C. Release of Previous Holder. The word "Mortgagee" when used here in shall include the successors and assigns of the original Mortgagee named on Page 1 hereof, and the holder or holders, from time to time, of the Note. However, whenever the Note is sold, each prior holder shall be automatically freed and relieved, on and after the date of such sale, of all liability with respect to the performance of each covenant and obligation of the Mortgagee hereunder thereafter to be performed, provided that any monies then held by the seller of the Note in which the Mortgagee has an interest are paid to the purchaser of the Note.

B. Binding Nature. This Mortgage and all provisions hereof shall extend to and be binding upon the original Mortgagee named on the first page hereof and its successors, grantees, assigns, each subsequent owner or owners of the Mortgaged Premises, and all persons claiming under or through the Mortgagee, but the privileges and benefits herein accruing to the Mortgagee shall extend and inure only to such grantees, successors and assigns of the Mortgagee and owners of the Mortgaged Premises as may be permitted pursuant to Paragraph 28 hereof.

subparagraph shall be deemed to have been given and received on the earlier of (a) the date of actual receipt of such notice, demand or other communication, (b) the fifth (5th) business day following the date of mailing by U.S. registered or certified mail of such notice, demand or other communication, (c) date of actual delivery of such demand, notice or other communication, in the form of a telegram, by Western Union, or (d) date of actual delivery of such demand, notice or other communication by special courier (Federal Express or the like). If any demand, notice or other communication is given or received by more than one of the foregoing methods on different dates, such demand, notice or other communication shall be deemed given or received on the earlier of such dates. The delivery or receipt by other parties of copies of any demand, notice or other communication hereunder is merely an accommodation and is not necessary or required to make effective the giving or receipt by Mortgagee or Mortgagee of any demand, notice or other communication.

0181224810

and shall be, construed in accordance with and governed by the laws of the State of Illinois.

E. Governmental Compliance. The Mortgagor shall not by act or omission permit any lands or improvements not subject to the lien and security interest of this Mortgage to include the Mortgaged Premises or any part thereof in fulfillment of any governmental requirement, and the Mortgagor hereby assigns to the Mortgagor any and all rights to give consent for all or any portion of the Mortgaged Premises to be so used. Similarly, no lands or improvements comprising the Mortgaged Premises shall be included with any lands or improvements not subject to the lien of this Mortgage in fulfillment of any governmental requirement. The Mortgagor shall not, by act or omission, impair the integrity of the Mortgaged Premises as a single zoning lot or tax parcel separate and apart from all other premises. Any act or omission by the Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

F. Stopgap Certificate. The Mortgagor agrees to furnish, from time to time, within ten (10) days after mailing of a written request of the Mortgagor, a signed statement setting forth the amount of the liabilities and whether or not any default, offset or defense then is alleged to exist against the liabilities and, if so, specifying the nature thereof and such other information in respect of the liabilities and the Mortgaged Premises, this Mortgage, the Note and the Other Loan Documents as may be required by the Mortgagor.

G. Non-Joiner of Tenant. After an Event of Default, the Mortgagor shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Mortgaged Premises. The failure to join any tenant or tenants of the Mortgaged Premises as party defendant or defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by the Mortgagor as a defense in any civil action instituted to collect the liabilities, or any part thereof, or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

H. Lien for Loan Commissions, Service Charges and the Like. So long as the original Mortgagor named on the first page hereof is the owner of the Note, and regardless of whether any proceeds of the credit have been disbursed, this Mortgage also secures the payment of all loan commissions, liquidated damages, expenses and advances due to or incurred by the Mortgagor in connection with the loan transaction intended to be secured hereby.

01812268

I. Use of Other Remedies. The Mortgagee shall have the right from time to time to enforce any legal or equitable remedy against the Mortgagor and to sue for any sums, whether interest, damages for, failure to pay the Liabilities or any part thereof, taxes, or any other sums required to be paid under the terms of this Mortgage, as the same become due, without regard to whether or not the Liabilities, interest thereon or any other sums included in, or evidenced and/or secured by the Note, this Mortgage and the other Loan Documents shall be due and without prejudice to the right of the Mortgagee thereafter to enforce an appropriate right or remedy against the Mortgagor existing at the time such earlier action was commenced.

J. Sale of Mortgaged Premises in Whole or in Part. In case of any sale under or pursuant to this Mortgage, by virtue of judicial proceedings or otherwise, the Mortgaged Premises may be sold in one parcel and as an entirety or in such parcels, manner or order as the Mortgagee, in its sole discretion, may elect.

K. Subrogation to Prior Encumbrances. The Mortgagee shall be subrogated for further security to the lien, although released or recorded of any and all encumbrances paid or satisfied, in whole or in part out of the proceeds advanced pursuant to the Note and secured by this Mortgage and the other Loan Documents.

L. Additional Assurances. The Mortgagor agrees that upon the request of the Mortgagee from time to time, the Mortgagor will execute, acknowledge and deliver all such additional instruments and documents, and further assurances of title, and will do or cause to be done all such further or additional acts or things as may be reasonably necessary or required to effectuate fully the intent and purpose of this Mortgage and to preserve, perfect, protect and secure the Liabilities.

M. Amendments. No change, amendment, modification, cancellation or discharge of this Mortgage, or any part hereof, or of the Liabilities secured hereby shall be valid unless the same shall be in writing, and signed by the party to be bound thereby.

N. Recitals. The recitals to this Mortgage are hereby incorporated into and made a part of this Mortgage, and shall be deemed covenants and representations binding upon the Mortgagor.

O. Mortgagee Consent. Except where otherwise herein provided, whenever the consent or approval of the Mortgagee is required under this Mortgage, the Mortgagee has the right, in its absolute discretion, to withhold, or refuse to grant, such consent or approval.

P. Covenants Running With Land. All the covenants hereof shall run with the land.

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32. Subordination. It is acknowledged by the parties hereto that this Mortgage is junior and subordinate to the lien of the Senior Mortgage and that the Senior Mortgage may be modified, varied, extended or reinstated at any time by agreement between the parties to the Senior Mortgage, their successors and assigns, without the consent of the Mortgagee, its successors and assigns, provided, however, that such subordination shall not apply in the event that the Senior Mortgage advances any additional monies under the Senior Mortgage after the date first written above, excluding, however, any amounts advanced by the Senior Mortgagee to protect its interest under the Senior Mortgage including, by way of example and not by limitation, taxes, insurance premiums, assessments and other sums which the Senior Mortgagee deems necessary to protect its interest under the Senior Mortgage. Notwithstanding the foregoing, at any time during which the Liabilities shall exist, Mortgagee shall have the right to and Mortgagee, upon acceptance of this Mortgage, covenants and agrees that the lien of the Mortgage shall be subject and subordinate to the lien of any mortgage evidencing Mortgagee's exercise of its rights to (1) enter into an agreement with the Senior Mortgagee to modify the terms for repayment of or the amount of the indebtedness

31. Exemption. This Mortgage is executed by the Mortgagee, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and Trustee hereby warrants that it possesses full power and authority to execute this instrument and to waive all rights of redemption and other rights as provided in paragraph 25 hereof), and it is expressly understood and agreed that nothing contained herein or in the Note shall be construed as creating any liability on the Mortgagee personally to pay the Note or any interest, late charge or premium that may accrue thereon, or any of the Liabilities, or to perform any covenant, either express or implied herein contained, and such liability, if any, being expressly waived by the Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the Mortgagee personally is concerned, the Mortgagee and the holders and owners of any of the Liabilities shall look for the payment and enforcement thereof to the mortgaged premises and collateral hereby mortgaged, conveyed and assigned and to any other security given at any time to secure the payment thereof.

R. Continuing Force of Representations and Covenants. The representations, warranties and covenants made by the Mortgagee under this Mortgage are, and shall be deemed to be, of continuing force and effect until all of the Liabilities have been fully paid, discharged and performed.

Q. Paragraph Headings. The paragraph and subparagraph headings of this Mortgage are for convenience only and are not intended to alter, limit or enlarge in any way the scope or meaning of the language hereof.



018122669

33. Senior Loan Payment Modifications. Mortgagor hereby covenants and agrees that Mortgagor shall not, without the prior written consent of the Mortgagee, agree to any modification of the Senior Mortgage or any document executed in connection with, or pertaining to, the Senior Mortgage which would permit or allow any extension, forbearance, moratorium or change of any kind of the terms of payment of the debt which is secured by the Senior Mortgage.

secured by the Senior Mortgage so long as (A) the maximum principal balance of any such indebtedness outstanding at any time shall not exceed \$1,300,000 (which amount may include any combination of a term or revolving loan component and regardless of whether all or a portion of such amounts may be prepaid at any time or from time to time) or from time to time) and (B) the stated maturity date thereof shall not extend beyond ten years from the date of such agreement, credit facility or other financing arrangement with any other lender secured by a lien on the Mortgaged Premises so long as (A) the loan, credit facility or financing arrangement is in replacement of the Senior Mortgage and the indebtedness secured thereby (to the extent the same shall then exist), (B) the maximum principal balance of any such indebtedness outstanding at any one time shall not exceed \$1,300,000 (which amount may include any combination of a term or revolving loan component and regardless of whether all or a portion of such amounts may be prepaid at any time or from time to time), (C) the interest rate of such indebtedness shall not exceed the prime rate of the first National Bank of Chicago (or its successors or assigns) as publicly announced from time to time for its best commercial customer, plus two and one-half percent (2.5%), and (D) the stated maturity date thereof shall not extend beyond ten years from the date of such loan, facility or arrangement. In the event Mortgagor or its Beneficiary desires or intends to do any of the acts described in clauses (1) or (11) of the preceding sentence, Mortgagee shall, promptly upon such request, approve execution by the trustee of any loan documents evidencing any of the loans or indebtedness described in said clauses (1) or (11) ("permitted Senior Loans"), and enter into any subordination or other similar or other agreements (including approvals or consents required by the Trustee to any collateral assignments of beneficial interest or right of approval of documents for the benefit of such Senior Mortgage or such other lender) in a form reasonably requested by the Senior Mortgagee or such other lender to evidence the subordination of the lien of this Mortgage to the lien of any mortgage now or at any time evidencing any of the permitted Senior Loans. As used in this Mortgage, the terms Senior Mortgage and Senior Mortgagee shall, unless the context requires otherwise, mean, respectively, the Senior Mortgage and the Senior Mortgagee identified on the first page of this Mortgage or, respectively, any mortgage evidencing any of the permitted Senior Loans and any lender from time to time holding such mortgage.

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Property of Cook County Clerk's Office

Attest: Alice H. [Signature]  
 Its: Assistant Trust Officer  
 [Corporate Seal]

By: [Signature]  
 Its: VICE President

GLENVIEW STATE BANK, not personally,  
 but solely as Trustee under Trust  
 Agreement dated October 15, 1971,  
 and known as Trust No. 802

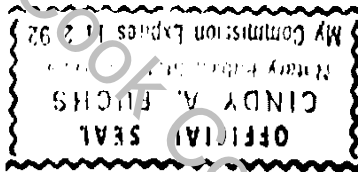
MORTGAGOR:

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

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Property of Cook County Clerk's Office



My Commission Expires:

*Cindy A. Buchs*  
Notary Public

Given under my hand and official seal this 3rd day of July, 1989.

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Logan O. Cox, Vice President of Glenview State Bank, an Illinois banking association, and Alice Hansen, Secretary of said banking association, and personally known to me to be the same persons whose names are subscribed to before me this day in person and severally acknowledged that as such Vice President and Secretary, they signed and delivered the said instrument and caused the corporate seal of said banking association to be affixed thereto, as their free and voluntary act, and as the free and voluntary act and deed of said banking association, as Trustee aforesaid, for the uses and purposes therein set forth.

STATE OF ILLINOIS )  
COUNTY OF COOK )  
SS: )

# UNOFFICIAL COPY

07-1010 (REV. 4-88)

07-1010 (REV. 4-88)

Print Name: \_\_\_\_\_  
 Print Title: \_\_\_\_\_  
 Print Address: \_\_\_\_\_  
 BY: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Print Title: \_\_\_\_\_  
 Print Address: \_\_\_\_\_  
 BY: \_\_\_\_\_  
 DORTSCH BROS. CO.

This Note is secured by a Security Agreement dated \_\_\_\_\_, 19\_\_\_\_, and the obligations of the underlined hereunder are "Collateral" as described in said Security Agreement.

The underlined hereby waives present and future rights of payment, notice of nonpayment, interest and notice of protest and diligence of bringing suit against any party thereto. It is further agreed that if this Note is placed in the hands of an attorney for collection, or suit is brought on same, or if same is collected through Probate or Bankruptcy proceedings, the underlined hereby agrees to pay the holder of this Note reasonable attorney's fees.

Failure to pay this Note, or any installment hereunder promptly when due, or failure in the performance or due observance of any of the terms, conditions or obligations in the Security Agreement hereinafter referred to (if any) or any other Agreement between the underlined and TCC or TFC shall entitle the holder of this Note to accelerate the maturity of this Note, and to declare the entire unpaid principal balance and accrued interest hereunder to be immediately due and payable and Secured Party may proceed at once to exercise each and every one of the remedies set forth in said Security Agreement or otherwise available at law or in equity.

All past due installments on this Note shall bear interest at the then current late charge of Textron Capital Corporation, which shall in no event be in excess of the maximum rate permitted by applicable law. The total interest rate charged hereunder shall in no event exceed the legal maximum.

All payments hereunder shall be payable monthly at the following address or at such other address as TCC may hereafter direct in writing. File #8703, Los Angeles, California 90074. If any principal or interest under this Note becomes due and payable on a day which is a Saturday, Sunday or a legal holiday in the State of California, then the due date thereof shall be extended to the next succeeding calendar day. All amounts received shall be applied first to accrued late charges, second, to accrued interest, and third, to unpaid principal.

For value received, the underlined, jointly and severally (if more than one), promise to pay to TEXTRON CAPITAL CORPORATION ("TCC"), a subsidiary of Textron Financial Corporation, ("TFC"), or order, the principal sum of 1,841,000.00 U.S. DOLLARS, payable by the underlined to TCC in 60 consecutive monthly installments of principal and interest on the first day of each month hereafter, commencing with the first such date following the date hereof, the first 67 such installments in the amount of \$ 51,135.50 and the final installment of \$ 51,135.50 being due and payable on JUNE 1, 1993.

1,841,000.00  
19

EXHIBIT A  
 (Fixed Payment)  
 PROMISSORY NOTE  
 Textron Financial Corporation, Subsidiary of Textron Inc

# TFC TEXTRON

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Property of Cook County Clerk's Office

Permanent Index No.:

03-24-101-009

03-24-101-012

03-24-101-013

Commonly known as:

35 East Palatine Road  
Prospect Heights, IL

THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF THE NORTH WEST 1/4 OF SECTION  
24, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN,  
(EXCEPT THEREFROM THE EAST 960 57 FEET AS MEASURED ALONG THE SOUTH  
LINE); ALSO THE WEST 334 FEET OF THE NORTH 1/2 OF SAID NORTH EAST 1/4  
OF THE NORTH WEST 1/4 OF SAID SECTION 24 (EXCEPT THAT PART LYING NORTH  
OF THE SOUTH LINE OF PALATINE ROAD), (EXCEPT THAT PART CONVEYED TO CITY  
OF PROSPECT HEIGHTS BY DEED RECORDED OCTOBER 8, 1987 AS DOCUMENT  
87-2088), ALL IN COOK COUNTY, ILLINOIS.

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018122C68

1/4 OF THE NORTH WEST 1/4).  
(AFFECTS WEST 10 FEET OF THE SOUTH 661.00 FEET OF THE NORTH EAST

FEBRUARY 6, 1969 AS DOCUMENT 20750658  
RECORDED SEPTEMBER 18, 1968 AS DOCUMENT 20618819 AND RECORDED  
REMOVE TREES, AND RIGHT OF INGRESS AND EGRESS TO EASEMENT AREA,  
USED FOR ELECTRIC TELEPHONE SERVICES, ALSO RIGHT TO TRIM AND  
ASSIGNS, THE RIGHT TO CONSTRUCT, MAINTAIN AND REMOVE EQUIPMENT  
AND THE ILLINOIS BELL TELEPHONE COMPANY, THEIR SUCCESSORS AND  
TRUSTEE UNDER TRUST NUMBER 576 TO THE COMMONWEALTH EDISON COMPANY  
GRANT OF EASEMENT FROM THE FIRST NATIONAL BANK OF SKOKIE, AS

OF THE NORTH WEST 1/4).  
(AFFECTS THE SOUTH 10 FEET OF THE NORTH 1/2 OF THE NORTH EAST 1/4

18, 1967 AS DOCUMENT 20199653  
RECORDED JUNE 27, 1967 AS DOCUMENT 20189336 AND RECORDED JULY  
REMOVE TREES, AND RIGHT OF INGRESS AND EGRESS TO EASEMENT AREA,  
USED FOR ELECTRIC AND TELEPHONE SERVICES, ALSO RIGHT TO TRIM AND  
ASSIGNS, THE RIGHT TO CONSTRUCT, MAINTAIN AND REMOVE EQUIPMENT  
AND THE ILLINOIS BELL TELEPHONE COMPANY, THEIR SUCCESSORS AND  
TRUSTEE UNDER TRUST NUMBER 576 TO THE COMMONWEALTH EDISON COMPANY  
GRANT OF EASEMENT FROM THE FIRST NATIONAL BANK OF SKOKIE, AS

PALATINE ROAD TO THE EAST LINE OF SAID LAND.  
LINE 45 FEET SOUTH OF AND PARALLEL WITH THE CENTER LINE OF  
THE CENTER LINE OF PALATINE ROAD; THENCE CONTINUING EAST ALONG A  
LAND COMMENCING AT THE WEST LINE OF THE LAND 45 FEET SOUTH OF  
OPERATION THEREOF, IN, UPON AND ACROSS THE FOLLOWING DESCRIBED  
RIGHT OF ACCESS TO THE SAME FOR THE MAINTENANCE, REPAIR AND  
APPURTENANCES FOR THE TRANSMISSION AND DISTRIBUTION OF GAS WITH  
MAINTAIN AND OPERATE A 16 INCH GAS MAIN WITH THE NECESSARY  
PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS, THE RIGHT TO LAY,  
DOCUMENT 14167022 BY OWEN BARTON JONES AND BARBARA BURNS JONES TO  
GRANT DATED JUNE 2, 1947 AND RECORDED OCTOBER 14, 1947 AS

1/4 OF SECTION 24).  
(AFFECTS THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF THE NORTH WEST  
CONTAINED, RECORDED AUGUST 29, 1978 AS DOCUMENT 24603946.  
THE TERMS, PROVISIONS, CONDITIONS AND LIMITATIONS THEREIN  
AGREEMENT DATED AUGUST 6, 1976 AND KNOWN AS TRUST NUMBER 1000 AND  
COMPANY, A NATIONAL BANKING ASSOCIATION, AS TRUSTEE UNDER TRUST  
NOS. 37645, 37964 AND 38964 AND ELGIN NATIONAL BANK AND TRUST  
AND BETWEEN HARRIS TRUST AND SAVINGS BANK, AS TRUSTEE UNDER TRUST  
UTILITIES COMPANY OF ILLINOIS, AS DISCLOSED BY AGREEMENT MADE BY  
EASEMENT FOR SANITARY SEWER AND WATER SYSTEM GRANTED TO CITIZENS

RIGHT OF WAY FOR DITCHES, FEEDERS AND LATERALS.

PERMITTED EXCEPTIONS

EXHIBIT C

UNOFFICIAL COPY

01812368

- 6. GRANT OF EASEMENT FROM THE FIRST NATIONAL BANK OF SKOKIE, AS TRUSTEE UNDER TRUST NUMBER 576, TO THE COMMONWEALTH EDISON COMPANY AND THE ILLINOIS BELL TELEPHONE COMPANY, THEIR SUCCESSORS AND ASSIGNS, OF THE RIGHT TO CONSTRUCT, MAINTAIN AND REMOVE EQUIPMENT USE FOR ELECTRIC AND TELEPHONE SERVICES; ALSO THE RIGHT TO TRIM AND REMOVE TREES, RECORDED DECEMBER 1, 1971 AS DOCUMENT 21728770.  
(AFFECTS THE WEST 10 FEET OF THE EAST 310 FEET OF THE WEST 634 FEET OF THE NORTH 1/2 OF THE NORTH EAST 1/4 OF THE NORTH WEST 1/4).
- 7. TERMS, POWERS, PROVISIONS AND LIMITATIONS OF THE TRUST UNDER WHICH TITLE TO SAID LAND IS HELD.
- 8. RIGHTS OF THE PUBLIC, THE MUNICIPALITY AND THE STATE OF ILLINOIS IN AND TO THAT PART OF THE LAND WHICH MAYBE USED FOR ROADS AND HIGHWAYS.  
NOTE: IT APPEARS THAT THE COUNTY ASSESSORS RECORD STILL SHOWS DOCUMENT 25480904 INSTEAD OF CORRECTIVE DOCUMENT 87547388.
- 9. RIGHTS OF THE ADJOINING AND CONTIGUOUS OWNERS TO FREE AND UNOBSTRUCTED FLOW OF CREEK THROUGH THE LAND.
- 10. MORTGAGE DATED AUGUST 1, 1964 AND RECORDED OCTOBER 3, 1964 AS DOCUMENT 27279588 MADE BY GLENVIEW STATE BANK, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED OCTOBER 15, 1971 AND KNOWN AS TRUST NUMBER 802 TO GOLF MILL STATE BANK, A CORPORATION OF ILLINOIS TO SECURE A NOTE FOR \$600,000.00.  
AND MODIFIED BY DOCUMENT DATED AUGUST 1, 1964 AND RECORDED SEPTEMBER 30, 1966 AS DOCUMENT 86446357 INCREASING SAID AMOUNT OF INDEBTEDNESS TO \$900,000.00.
- 11. ASSIGNMENT OF RENTS MADE BY GLENVIEW STATE BANK, AN ILLINOIS BANKING CORPORATION, AS TRUSTEE UNDER TRUST AGREEMENT DATED OCTOBER 15, 1971 AND KNOWN AS TRUST NUMBER 802 TO GOLF MILL STATE BANK RECORDED OCTOBER 3, 1964 AS DOCUMENT 27279589.

01812568

Property of Cook County

Any term herein used but not defined shall have the same meaning as assigned to such term in the instrument to which this Exhibit is attached.

1. UCC Financing Statement (Form 1) with the Mortgagor, as debtor, and Mortgagee, as secured party, in respect of the property described in the Mortgage.
2. UCC Financing Statement (Form 2) with the Mortgagor, as debtor, and Mortgagee, as secured party, in respect of the property described in the Mortgage.
3. Security Agreement of even date herewith made by Beneficiary of Mortgage in favor of Mortgagee as further and additional security for payment of the Note and the other and additional liabilities.
4. UCC Financing Statement (Form 1) with Mortgagor, as debtor, and Mortgagee, as secured party regarding the property described in the Security Agreement.
5. UCC Financing Statement (Form 2) with Mortgagor, as debtor, and Mortgagee, as secured party regarding the property described in the Security Agreement.

OTHER LOAN DOCUMENTS

EXHIBIT D