

MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FINANCING STATEMENT

\$27.00

7204 104 D2

THIS MORTGAGE made as of this 18th day of July, 1989, between GARFIELD RIDGE TRUST & SAVINGS BANK ("Trustee"), not personally but solely as trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Trustee in pursuance of a Trust Agreement dated November 18, 1986 and known as Trust No. 86-11-11 (the "Trust"), and JOHN CRONIN ("Cronin") and JOHN HOWARD ("Howard"), beneficiaries of the Trust (Trustee, Cronin and Howard are collectively hereinafter referred to as "Mortgagor"), and BANK OF CHICAGO, an Illinois banking corporation, whose address is 1050 W. Wilson Avenue, Chicago, Illinois ("Mortgagee");

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of FOUR HUNDRED SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (\$465,000.00), which indebtedness is evidenced by a MORTGAGE NOTE executed by Mortgagor of even date herewith (the "Note"), which Note provides for payments of the indebtedness as set forth therein;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to secure the payment of the Note with interest thereon and any renewals or extensions thereof, the payment of all other sums with interest thereon advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of the Mortgagor herein contained, Mortgagor does hereby mortgage, grant and convey to Mortgagee the real estate legally described on Exhibit A attached hereto and made a part hereof, which real estate is commonly known as 820-32 N. Wolcott, Chicago, Illinois, and which, together with the property herein after described, is referred to herein as the "Premises."

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

Mortgagor covenants that Mortgagor is lawfully seized of the real estate hereby conveyed and has the right to mortgage, grant

This Instrument Prepared By and After Recording Should Be Returned To:

Mark S. Kipnis
Holleb & Coff
55 E. Monroe Street, Suite 4100
Chicago, IL 60603

Box 333

89352220

and convey the Premises, that the Premises are unencumbered and that Mortgagor will warrant and defend generally the title to the Premises against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Mortgagor's interest in the Premises.

IT IS FURTHER UNDERSTOOD THAT:

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

2. In addition, the Mortgagor shall:

(a) Promptly repair, restore or rebuild any and all improvements now or hereafter located on the Premises which may become damaged or destroyed.

(b) Pay immediately when due and payable and before any penalty attaches all general taxes, special taxes, special assessments, water charges, sewer service charges and other taxes and charges against the Premises, including those heretofore due, and to furnish the Mortgagee, upon request, with the original or duplicate receipts therefor, and all such items extended against the Premises shall be conclusively deemed valid for the purpose of this requirement. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may desire to contest.

(c) Upon the request of Mortgagee, Mortgagor shall deposit with Mortgagee one-twelfth (1/12th) of the annual real estate taxes as estimated by Mortgagee in such manner as Mortgagee may prescribe so as to timely provide for the then current year's real estate tax obligation. If the amount estimated to pay said taxes is not sufficient, Mortgagor promises to pay the difference upon demand. Should Mortgagor fail to deposit sufficient amounts with Mortgagee to pay such obligations, Mortgagee may, but shall not be obligated to, advance monies necessary to make up any deficiency in order to pay such obligations. Any monies so advanced by Mortgagee shall become so much additional indebtedness secured hereby and shall become immediately due and payable with interest due thereon at the default rate of interest as set forth in the Note. It shall not be obligatory upon the Mortgagee to inquire into the validity or accuracy of the real estate tax obligations before making payments of the same and nothing herein contained shall be construed as requiring the Mortgagee to advance other monies for said purpose nor shall the Mortgagee incur any personal liability for anything it may do or omit to do hereunder. It is agreed that all such payments made, at the option of the Mortgagee, shall be (1) held in trust by it without earnings for the payment of the real estate tax obligations; (2) carried in a tax account for the benefit of Mortgagor and withdrawn by the Mortgagee to pay the real estate tax obligations; (3) credited to the unpaid balance of said indebtedness as received, provided that the Mortgagee advances upon this obligation sums sufficient to pay said items as the same accrue and become payable. If such items are held in trust or carried in a tax account for Mortgagor or the beneficiary of Mortgagor, the same are hereby pledged together with any other

account of Mortgagor or the beneficiary of Mortgagor, or any guarantor hereof, held by the Mortgagee to further secure the indebtedness represented by the Note and any officer of the Mortgagee is authorized to withdraw the same and apply said sums as aforesaid.

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

(e) Complete within a reasonable time any buildings or improvements now or at any time in process of erection upon the Premises.

(f) Subject to the provisions hereof, restore and rebuild any buildings or improvements now or at any time located on the Premises and destroyed by fire or other casualty so as to be of at least equal value and substantially the same character as existed prior to such damage or destruction. In any case where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed only upon the

disbursing party being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, contractor's and subcontractor's sworn statements and other evidence of cost and payment so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanic's lien claims. No payment prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. If the Mortgagee reasonably determines that the cost of rebuilding, repairing or restoring the buildings and improvements shall exceed the sum of One Hundred Thousand and No/100 Dollars (\$100,000.00), then Mortgagor must obtain the written approval of all plans and specifications for such work from Mortgagee before such work shall be commenced. Any surplus which remains from said insurance proceeds after payment of such costs of building or restoring shall, at the option of the Mortgagee, be applied toward the indebtedness secured hereby or be paid to any party entitled thereto without interest.

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

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

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

3. (a) In case of loss, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized to either: (i) settle and adjust any claim under any insurance policies without the consent of Mortgagor, or (ii) allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. In either case Mortgagee is authorized to collect and receipt for any such insurance money. In case of any such loss or damage, if, in Mortgagee's sole judgment and determination, the improvements to the Premises cannot be restored and completed, or in the event, in Mortgagee's sole judgment and determination, the funds collected from any such insurance settlements are deemed insufficient to pay for the full and complete restoration and repair of such damage, Mortgagee shall have the right to collect any insurance proceeds and apply the same toward payment of the indebtedness secured hereby, after deducting therefrom all expenses and fees of collection, with the further proviso that should the net insurance proceeds be insufficient to pay then existing indebtedness secured hereby together with all accrued interest, fees and charges, Mortgagee may, at its sole election, declare the entire unpaid balance to be immediately due and payable, and Mortgagee may then treat the same as in the case of any other default hereunder. If, however, there is no event of default hereunder and, in Mortgagee's sole judgment and determination, the

damage sustained to the Premises can be restored in apt time and further, in Mortgagee's sole discretion and determination, the funds recovered from such loss (either alone or with additional funds deposited by Mortgagor) are, in Mortgagee's judgment, sufficient to pay the full and complete cost of such restoration, such funds will be made available for disbursement by Mortgagee on presentation of good and sufficient architect's certificates and waivers of lien; provided, however, that should any insurance company raise a defense against Mortgagor (but not against Mortgagee) to any claim for payment due to damage or destruction of the Premises or any part thereof by reason of fire or other casualty submitted by Mortgagee or any party on behalf of Mortgagee, or should such company raise any defense against Mortgagee (but not against Mortgagor) to such payment, then Mortgagee may, at its option, whether or not Mortgagee has received funds from any insurance settlements, declare the unpaid balance to be immediately due and payable and may treat the same as in the case of any other default hereunder.

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

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

4. Mortgagor hereby represents and covenants to Mortgagee that:

(a) (i) Trustee is a trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Trustee in pursuance of a Trust Agreement dated November 18, 1986 and known as Trust No. 86-11-11; (ii) the Trust is duly organized, validly existing and in good standing under the laws of the State of Illinois

and has complied with all conditions prerequisite to its doing business in the State of Illinois; (iii) Mortgagor has the power and authority to own its properties and to carry on its business as now being conducted; (iv) Mortgagor is qualified to do business in every jurisdiction in which the nature of its business or its properties makes such qualification necessary; and (v) Mortgagor is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

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

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

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

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

5. Any sale, conveyance, transfer, pledge, mortgage or other encumbrance of any right, title or interest in the Premises or any portion thereof, or any sale, transfer or assignment (either outright or collateral), directly or indirectly, of all or any part of the beneficial interest in any trust holding title to the Premises, or the execution of any contract or agreement to do any of the aforementioned items shall, at the option of the Mortgagee, constitute a default hereunder, in which event the holder of the Note may declare the entire indebtedness evidenced by said

Note to be immediately due and payable and foreclose this Mortgage immediately or at any time after such default occurs.

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

7. It is the intent hereof to secure payment of the Note whether the entire amount shall have been advanced to the Mortgagor at the date hereof or at a later date, or having been advanced, shall have been repaid in part and further advances made at a later date, which advances shall in no event operate to make the principal sum of the indebtedness, plus any interest due thereon, plus any amount or amounts that may be added to the indebtedness under the terms of this Mortgage or any other document evidencing or securing the indebtedness evidenced by the Note, to exceed the sum of Two Million and no/100 Dollars (\$2,000,000.00).

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

9. Upon the commencement of any foreclosure proceeding hereunder, the court in which such bill is filed may at any time, either before or after sale, and without regard to the solvency of

the Mortgagor or the then value of the Premises or whether the Premises shall then be occupied by the owner of the equity of redemption as a homestead, appoint either the Mortgagee as "Mortgagee in Possession" or a receiver, with power to manage and rent and to collect the rents, issues, and profits of said Premises during the pendency of such foreclosure suit and the statutory period of redemption, and such rents, issues and profits, when collected, may be applied before as well as after the foreclosure sale, towards the payment of the indebtedness, costs, taxes, insurance or other items, including the expenses of such receivership, or toward any deficiency decree whether there be a decree therefor in personam or not, and if a receiver shall be appointed he shall remain in possession until the expiration of the full period allowed by statute for redemption, whether there be redemption or not, and until the issuance of a deed in case of sale, but if no deed be issued, until the expiration of the statutory period during which it may be issued. No lease of said Premises shall be nullified by the appointment or entry in possession of a receiver, but he may elect to terminate any lease junior to the lien hereof. Upon foreclosure of said Premises, there shall be allowed and included as an additional indebtedness in the decree of sale all expenditures and expenses, together with interest thereon at the default interest rate under the Note, which may be paid or incurred by or in behalf of the Mortgagee for attorneys' fees, Mortgagee's fees, appraiser's fees, court costs and costs (which may be estimated as to and include items to be expended after the entry of the decree) and of procuring all such data with respect to title as Mortgagee may reasonably deem necessary either to prosecute such suit or to evidence to bidders at any sale held pursuant to such decree the true title to or value of said Premises; all of which aforesaid amounts, together with interest as herein provided, shall be immediately due and payable by the Mortgagor in connection with: (a) any proceeding, including probate or bankruptcy proceedings to which either party hereto shall be a party by reason of this Mortgage or the Note hereby secured; (b) preparations for the accrual of the right to foreclosure, whether or not actually commenced; or (c) preparations for the defense of or intervention in any suit or proceeding or any threatened or contemplated suit or proceeding, which might affect the Premises or the security hereof. In the event of a foreclosure sale of said Premises there shall first be paid out of the proceeds thereof all of the aforesaid items, then the entire indebtedness whether due and payable by the terms hereof or not and the interest due thereon up to the time of such sale, and the surplus, if any, shall be paid to the Mortgagor. No purchaser shall be obliged to see to the application of the purchase money.

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

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

12. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or any other document, or afforded to Mortgagee by law or equity and may

be exercised concurrently, independently or successively, at Mortgagee's sole discretion.

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

14. Except to the extent any notice shall be required under applicable law to be given in another manner, any notice to Mortgagor shall be given by mailing such notice by certified mail addressed to Mortgagor at:

Walcott Investors
832 N. Walcott
Chicago, IL 60622

with a copy to:

John Howard
573 Lumbard
Chicago, IL 60677

or to such other address(es) as Mortgagor may designate by notice to Mortgagee as provided herein and any notice to Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee's address stated herein, or to such other address as Mortgagee may designate by notice to Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.

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

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

17. Mortgagor shall not and will 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 this Mortgage, but hereby waives the benefit of such laws. Mortgagor waives any and all rights to have the property and estate comprising the Premises marshalled upon any foreclosure of this Mortgage and hereby agrees that any court having jurisdiction to foreclose this Mortgage may order the Premises sold as an entirety. MORTGAGOR HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE OF THIS MORTGAGE ON BEHALF OF MORTGAGOR AND EACH AND EVERY PERSON, EXCEPT DECREE OF JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES SUBSEQUENT TO THE DATE OF THIS MORTGAGE.

18. Mortgagee shall, upon reasonable notice, have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

19. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public

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office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

20. No construction shall be commenced upon the Premises or upon any adjoining land at any time owned or controlled by Mortgagor or by other business entities related to Mortgagor, unless the plans and specifications for such construction shall have been submitted to and approved in writing by Mortgagee to the end that such construction shall not, in the reasonable judgment of the Mortgagee, entail prejudice to the loan evidenced by the Note and this Mortgage.

21. The Mortgagor will pay all utility charges incurred in connection with the Premises and all improvements thereon and maintain all utility services now or hereafter available for use at the Premises.

22. If the Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (the Act), the Mortgagor will keep the Premises covered for the term of the Note by flood insurance up to the maximum limit of coverage available under the Act.

23. This Mortgage shall be governed by the law of the State of Illinois. In the event one or more of the provisions contained in this Mortgage shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

24. In the event of a deficiency upon a sale of the Premises pledged hereunder by Mortgagor, then Mortgagor shall forthwith pay such deficiency, including all expenses and fees which may be incurred by the holder of the Note in enforcing any of the terms and provisions of this Mortgage.

25. Mortgagor shall furnish promptly to Mortgagee financial information during the term hereof upon the demand of Mortgagee which financial information shall include, without limitation, financial statements, tax returns of Mortgagor and an annual operating statement of income and expenses for the Premises signed and certified by Cronin and Howard. Mortgagor shall make available upon demand for inspection by Mortgagee the books and records of the Premises, copies of any leases encumbering the Premises, and such other information as Mortgagee may deem necessary or appropriate.

26. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. Wherever used, the singular number shall include the plural, the singular, and the use of any gender shall be applicable to all genders.

27. (a) To further secure the indebtedness secured hereby, Mortgagor does hereby sell, assign and transfer unto the Mortgagee all the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any

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

(b) The Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than two installments in advance and that the payment of none of the rents to accrue for any portion of the Premises has been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor. The Mortgagor waives any rights or set off against any person in possession of any portion of the Premises. Mortgagor agrees that it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises, without the prior written consent of Mortgagee.

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

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

(e) Although it is the intention of the parties that the assignment contained in this Paragraph 27 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as no default hereunder has occurred, Mortgagor shall have the privilege of collecting and retaining the rents accruing under the leases assigned hereby.

(f) The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and the Mortgagor hereby agrees to indemnify and hold the Mortgagee harmless from and against any and all liability, loss or damage, including reasonable attorney's fees, which Mortgagee may or might

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incur under said leases or by reason of the assignment thereof, as well as from and against any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should the Mortgagee incur any such liability, loss or damage under said leases or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Mortgagor shall reimburse the Mortgagee therefor immediately upon demand.

28. The Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Paragraph 27 hereof, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as the Mortgagee may determine:

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

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

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

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

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

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

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

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

(b) Notwithstanding the aforesaid, the Mortgagor covenants and agrees that so long as any balance remains unpaid on the Note, it will execute (or cause to be executed) and deliver to Mortgagee, such renewal certificates, affidavits, extension statements or other documentation in proper form so as to keep perfected the lien created by any Security Agreement and Financing Statement given to Mortgagee by Mortgagor, and to keep and maintain the same in full force and effect until all indebtedness secured hereby has been paid in full.

32. From the date of its recording this Mortgage shall be effective as a fixture financing statement with respect to all goods constituting part of the Premises which are or are to become fixtures related to the Premises. For this purpose, the following information is set forth:

(a) Name and address of Mortgagor, as debtor:

c/o Garfield Ridge Trust & Savings Bank
353 W. 55th Street
Chicago, Illinois 60638;

(b) Name and address of Mortgagee, as secured party:

Bank of Chicago
1050 W. Wilson Avenue
Chicago, Illinois 60640

33. In the event of the enactment after this date of any law imposing a tax upon the issuance of the Note or deducting from the value of the Premises for the purpose of taxation any lien on the land, or imposing upon the Mortgagee the payment of the whole or any part of the taxes, assessments, charges or liens required in this Mortgage to be paid by Mortgagor, 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 Premises, or the manner of collection of taxes, so as to affect this Mortgage, the debt secured by this Mortgage or the holder of this Mortgage, then, in any such event, the Mortgagor, upon demand of the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee for such taxes and assessments; provided, however, that if, in the opinion of counsel for the Mortgagee, it might be unlawful to require Mortgagor to make such payments, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured by this Mortgage to be due and payable sixty (60) days from the giving of such notice.

34. Mortgagor will protect, indemnify and save harmless Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including without limitation attorney's fees and expenses, imposed upon or incurred by or asserted against Mortgagee by reason of: (a) the ownership of the Premises or any interest therein or receipt of any rents, issues, proceeds or profits therefrom; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Premises or any part thereof or on the adjoining sidewalks, or curbs, adjacent parking areas, streets or ways; (c) any use, nonuse or condition in, on or about the Premises or any part thereof or on the adjoining sidewalks, curbs, the adjacent parking areas, streets or ways; (d) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage; or (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof. Any amounts payable to Mortgagee by reason of the application of this paragraph shall constitute additional indebtedness which is secured by this Mort

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gage and shall become immediately due and payable upon demand therefor and shall bear interest at the default interest rate under the Note from the date loss or damage is sustained by Mortgagee until paid. The obligations of Mortgagor under this paragraph shall survive any termination or satisfaction of this Mortgage.

IN WITNESS WHEREOF, this Mortgage is executed by GARFIELD RIDGE TRUST & SAVINGS BANK, 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 said GARFIELD RIDGE TRUST & SAVINGS BANK, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on said trustee or on said GARFIELD RIDGE TRUST & SAVINGS BANK, personally, to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder and that so far as said Trustee and said GARFIELD RIDGE TRUST & SAVINGS BANK personally are concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the Premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided, by action against any other security given to secure the payment of said Note and by action to enforce the personal liability of Cronin and Howard.

John Cronin
JOHN CRONIN
John Howard
JOHN HOWARD

GARFIELD RIDGE TRUST & SAVINGS BANK, not personally but solely as trustee U/T/A dated November 18, 1986 and known as Trust No. 86-11-11

By: Julie A. Novak
Name: Julie A. Novak
Title: Land Trust Officer

All representations and undertakings of GARFIELD RIDGE TRUST & SAVINGS BANK as trustee as aforesaid and not individually are those of its beneficiaries only and no liability is assumed by or should be asserted against GARFIELD RIDGE TRUST & SAVINGS BANK personally as a result of the signing of this instrument.

ATTEST:
By: Florence R. Gaweda
Name: Florence R. Gaweda
Title: Vice President

COOK COUNTY CLERK'S OFFICE
FILED FOR RECORD
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STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, Janice Majewski, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT Julie A. Novak, Land Trust Officer of GARFIELD RIDGE TRUST & SAVINGS BANK, and Florence R. Gaweda, V.P. Trust Officer of said Company, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Land Tr. Officer and V.P. Trust Officer, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 31st day of ~~June~~, July 1989.

Janice Majewski
Notary Public

My commission expires: 7-1-92

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT JOHN CRONIN and JOHN HOWARD, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary act.

GIVEN under my hand and notarial seal this 31st day of ~~June~~, July 1989.

Janice Majewski
Notary Public

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EXHIBIT A

PARCEL 1:
LOT 8 (EXCEPT THE SOUTH 135 FEET THEREOF AND EXCEPT THE NORTH 60.60 FEET THEREOF) IN BLOCK 7 IN SUPERIOR COURT COMMISSIONER'S PARTITION OF BLOCKS 2, 4 AND 7 AND THE WEST 1/2 OF BLOCK 3 AND THE SOUTH 1/2 OF

BLOCK 8 IN COCHRAN AND OTHERS SUBDIVISION OF THE WEST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:
LOTS 11 AND 12 IN WEBB'S SUBDIVISION OF LOTS 1 AND 2 IN SUPERIOR COURT COMMISSIONER'S PARTITION OF BLOCK 7 OF COCHRAN AND OTHERS SUBDIVISION OF THE WEST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:
THE NORTH 60.60 FEET OF LOT 8 IN BLOCK 7 IN SUPERIOR COURT COMMISSIONER'S PARTITION OF BLOCKS 2, 4, 7 AND THE WEST 1/2 OF BLOCK 3 AND THE SOUTH 1/2 OF BLOCK 8, IN COCHRAN AND OTHERS SUBDIVISION OF THE WEST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

✓ PIN:

17 06 434 032

17 06 434 037

17 06 434 040

✓ Address:

832 N. Wilcott
Chicago, IL
60622

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